

Fears of intervention in Poland eased by Brezhnev speech

President Brezhnev of the Soviet Union took some of the tension out of the Polish crisis yesterday by reaffirming Moscow's belief that the party leadership in Poland could overcome its problems.

Optimism in Poland was increased by the ending of the Warsaw Pact manoeuvres. Mr Walesa, the Solidarity leader, said in an interview in "France-Soir" that he does not expect Soviet intervention.

Warsaw Pact exercises end

From Dessau Trevisan
Prague, April 7

Tension building up over Poland eased today when President Brezhnev, the Soviet leader, allayed fears of an imminent Warsaw Pact invasion in his speech here to the Czechoslovak Communist Party congress.

At the same time, he left no doubt that, although the Soviet Union still believes the Polish leadership will be able to "oppose the designs of enemies of socialism", it is more guarded than several weeks ago.

Dr Gustav Husak, the Czechoslovak party leader, took a more ominous line yesterday by reminding the Poles that, although each country is responsible for its own affairs there are certain matters which are the concern of all socialist states.

Mr Brezhnev was more restrained than that. But a significant difference between the Russian and English language versions of his speech suggests that what he actually said was that the Russians only "assume" that Poland will be able to check anti-socialist assaults.

However, this does not change the essential point Mr Brezhnev intended to make—bar he expects more confidence to be shown in the Polish leadership's capacity to put its house in order than was expressed in the Soviet media over the past week, or than was shown by Dr Husak, who clearly emphasized the growing uneasiness felt in Prague.

It was left to Mr Stefan Jozefowski, the Polish Politburo member, whose hard-line approach came under fierce attack at the Central Committee meeting in Warsaw this month, to explain to the congress here the attitude of the Polish leadership.

"The Polish crisis 'brings dangers' for the socialist state," he said, and this was being

abused by the enemies of socialism whose activities represent a threat and "undermine Poland's stability".

He assured the congress that the Polish leadership was grappling with the difficulties of the transition to a "clear road" without "distortions and deformations" and, in doing so, it was forging a citizens' front of "reason and patriotism".

He added that nobody would ever succeed in pulling Poland away from socialism and the party would "find enough power" to end the crisis.

Mr Olszowski is obviously the man Moscow trusts more than some of the reformists in the Polish leadership. The fact that he was chosen to attend the Prague congress is in itself significant.

During the stormy session of the Polish Central Committee, he was one of three Politburo members who offered to resign. But he was kept in his post because his departure would have given Moscow still more evidence that the leadership was entirely taken over by liberal reformists.

Mr Brezhnev went out of his way today to emphasize the need to tighten the ranks of the countries in the Warsaw Pact. Closer cooperation, he said, was necessary in all spheres and pooling of resources was in the interest of every country, as well as of the community as a whole.

He said this in a situation which, in his view, was characterized by attempts by the enemies of socialism to fragment the socialist community from within using economic pressure and blackmail and instigating subversive activity.

He singled out the Czechoslovak party to demonstrate how successfully such dangers could be overcome with the help of the socialist community. Similar attempts, he said, were

being undertaken in relation to Poland.

Walesa optimism: Mr Lech Walesa, leader of Solidarity, the Polish free trade union federation, said in an interview published in "France-Soir" yesterday that he still does not believe the Soviet Union will intervene in Poland (UPI reports from Paris).

"I have said 15 times that I do not believe in any intervention," he told the Warsaw correspondent of the Paris newspaper.

He also said the situation in Poland was "better, much better, since General Jaruzelski has been Prime Minister".

Manoeuvres end: The Warsaw Pact manoeuvres carried out since March 17 in Poland, Czechoslovakia, East Germany and the Soviet Union ended today, the official Polish news agency PAP announced (UPI and Reuters reports from Warsaw).

It said: "The objectives set for the exercise have been attained. The staffs and troops participating in the operations are returning home."

Although Soyuz-81 was principally a command post exercise, with comparatively small numbers of troops involved, Western governments viewed it with suspicion as a method of increasing the readiness of Warsaw Pact forces for a possible military intervention in Poland.

United States concern: The United States is still seriously concerned about Soviet military activity in and around Poland and by the threatening attitude of the East European countries (Reuters reports from Washington).

Mr William Dyess, the State Department spokesman, said that Mr Brezhnev's remarks did not give a clear picture of Soviet intentions.

Brezhnev speech, photograph, page 6
Leading article, page 15

Unpublished Home Office study begun in 1973 backs call for investigation reforms Defects disclosed in inquiries on police assault claims

By Peter Evans
Home Affairs Correspondent

Serious defects in the system of investigating complaints of assault by police are disclosed in a still unpublished report by the Home Office Research Unit.

Based on studies of Metropolitan Police complaints dossiers, the report supports a call by the Police Complaints Board for reform in the system.

Three bodies are principally involved in the controversy over the handling of complaints against police: the Police Complaints Board, which in its triennial review called for reforms; a Home Office working party, which was appointed by Mr William Whitelaw, the Home Secretary, to consider how the recommendation of the board for an independent element in the investigation of serious complaints against the police might be implemented; and the Home Office Research Unit.

The unpublished report says there is a tendency to explain injuries as self-inflicted and claims that "accidents by police officers or surgeons of alleged assault are sometimes implausible". It finds that in a significant minority of cases investigations are not as thorough as might have been expected.

In about a fifth of cases from the sample of dossiers examined, some or all independent eye-witnesses who were actually named, or should have been named, were not called to give statements, the report says.

"No record is given of whether attempts had been made to trace them," the report says.

The Home Office could not say yesterday when the report would be published, stating that it "had a fairly long time scale".

The study which led to it began in 1973.

Yet Mr Whitelaw told the House of Commons on March 18, in answer to a parliament-

ary question, that he would welcome comments on another report then published on the Establishment of an Independent Element in the Investigation of Complaints Against the Police.

The Home Office working party, which produced that report, does not mention the one by the research unit or disclose any knowledge of it. Mr Whitelaw is now considering what changes, if any, might be necessary in the present system.

The working party, which consisted mainly of police officers, rejected a proposal by the complaints board that complaints of serious injury should be investigated by a special task force of officers seconded from police forces but answerable to someone other than a police officer.

Although the board was satisfied that in general the investigation of complaints under the

present system was thorough and satisfactory, a "body of opinion" did not share its confidence. Unexplained injury sustained during arrest, or while in police custody, was a focus of discontent.

But the working party, which was chaired by Lord Plowden, and included Sir Thomas Metherington, QC, the Director of Public Prosecutions, as a member, said that where necessary, the chairman of the complaints board (Sir Cyril Phillips) or the DPP should supervise the investigation of complaints against police of serious assault.

Sir Robert Mark, former Metropolitan Police Commissioner, wrote in "The Times" on March 21: "The real difficulty for the public in considering the recommendations is that they are offered as evidence at all of the need for change."

The complaints board, how-

ever, is not able to cite the evidence provided by the research unit in support of change, because it has not been published.

Mr Whitelaw said on March 18: "It is in my view important that all concerned should have in mind the need to maintain public confidence in the complaints system, as an important aspect of the relations between the police and the public and the role it can play in striking the balance between the powers of the police and the rights of the individual."

The report, while finding no evidence of racial bias in the investigation procedure, comments: "The effectiveness of the formal system for making complaints against the police has become a major stone of the state of police community relations, not least for relations with the black and Asian communities."

Report details, page 4



Commons sketch Speaker's sober cheer for MPs

By Hugh Noyes
Parliamentary Correspondent

Whatever Lord Avebury may say, drunkenness, like death, can never happen within the precincts of the Palace of Westminster.

That was officially confirmed yesterday by no less an authority on parliamentary procedure and practice than Mr George Thomas, the Speaker of the House of Commons. In an awe-inspiring statement from the Chair, Mr Thomas told cheering MPs: "All my predecessors have ruled that no honourable or right honourable member of this House is ever too much under the influence of drink."

So there we have it. However paralytic or comatose our honourable, gallant, or even learned member may appear on the surface, beneath that receptive veneer his mental faculties are as acute as ever.

The ruling appeared to have come as a bit of a surprise to some of the younger MPs who are still getting to grips with the fact that they cannot die on the premises. That, it is believed, would cause so many problems for the corner who would have to operate within the rules laid down for defence within royal palaces that it is

claimed, no pulse is ever officially tested until the recumbent form has been safely dragged into the street.

Now that drunkenness, in parliamentary terms, has been put on all fours with death, MPs can once again breathe freely.

Lord Avebury, best known for his famous victory at Orpington on behalf of the Liberals and for his battles in support of the gypsies, sat the Palace of Westminster trembling with indignation on Monday when he called for a ban on all-night drinking in the Houses of Parliament, suggesting that some MPs might at times end up slightly the worse for wear and with their intellectual capacity and judgment impaired.

Lord Avebury, a teetotaler, was speaking at a conference in Liverpool on alcohol.

Mr Arthur Lewis, Labour MP for Newham North-West, whose intellectual capacity and judgment should never be questioned and who probably has as many lost causes to his credit as Lord Avebury, leapt fearlessly into the breach with a point of order at the end of the Prime Minister's question time.

Bursting with righteous indignation, Mr Lewis told the Speaker that he was raising this matter at the earliest opportunity open to him. He appealed

to Mr Thomas as "a life-long abstainer" to rebut this "slighting and wounding attack" on the sobriety of MPs.

Mr Lewis, who admitted that he was not among the teetotalers in the House, was saddened at the deep shame of disgrace of those MPs accustomed to nothing stronger than orange juice, at the assertions of almost perpetual drunkenness.

He and Mr Speaker knew, of course, that there were a few members who did occasionally partake of drink (loud shouts of agreement from the Tory benches); but never was anyone drunk.

That, said Mr Lewis, was against the rules. "Hear, hear," yelled the whole House, united for one glorious moment.

Mr Speaker nodded unambiguously at the thought of anyone breaking the rules in his presence.

Opinions were often given in less rarified circles around the country which were not to the liking of MPs. It was a delicate matter, and he rather hoped that Mr Lewis would not raise it as a matter of privilege.

Thankfully, Mr Lewis was happy to accept the Speaker's verdict on the sobriety of politicians and that they could never be too much under the influence.

Parliamentary report, page 9

Miss Susan Swythland, the student teacher who was kidnapped by a man posing as a San Francisco man, was rescued yesterday.

Moones, or Unification Church, recruited yesterday with her parents at their poultry farm at Egerton, near Ashford, Kent. She flew home after they had

approached a rescue group to kidnap her. In London, the Charity Commission, after a meeting with six MPs, announced that it would reconsider its decision to allow the church to remain a registered charity.

[Report, page 2]

£500m rival bid for Royal Bank of Scotland

By Our Financial Staff

Hongkong and Shanghai Banking Corporation has made the biggest bid in British financial history with its £498m offer for Royal Bank of Scotland, says an earlier offer for the Royal Bank by the Standard Chartered Group of £180m.

Royal Bank's shares rose by 24p to 168p yesterday on rumours that a counter bid was on its way.

A counter-bid, however, Royal Bank and Hongkong and Shanghai would bring the combined bank into the world's top 20. The bid coincides with the recent visit of Lord Barmston, the Foreign Secretary, to Hong Kong and the big power station contract awarded to GEC.

Mr Michael Sandberg, Hongkong's chairman, said last night that he wanted to "keep Royal Bank's Scottish-based independence" and, as it became the Hongkong Bank's flagship in Europe.

Standard Chartered, headed by Lord Barber, the former Tory Chancellor, is aiming to create the third largest banking empire in Britain which would have been bigger than Lloyds and the Midland Bank and on a par with National Westminster and Barclays.

The Standard Chartered bid for the Royal Bank was approved by the Royal Bank board.

But, late last night, Royal Bank, which includes the London clearing bank Williams & Glyn's, had not responded to the counter bid.

Battle royal, page 19

Foot-and-mouth in Wales feared

An order restricting the movement of animals within a five-mile radius of a farm at Tregynon, Powys, Wales, was imposed yesterday after a suspected outbreak of foot-and-mouth disease among sheep.

The Ministry of Agriculture said earlier that a sheep sent to the "Animal Virus Reference Institute at Pirbright, Surrey,

Tax disruption forces borrowing to rise

By David Felton

Sir Geoffrey Howe, Chancellor of the Exchequer, told the Commons last night that estimates for the central government borrowing for 1980-81 will be exceeded by up to £500m because of the action by Civil Service unions which is disrupting the collection of tax payments.

In a written answer, the Chancellor indicated that the borrowing between £750m and £1,000m. The Treasury said the borrowing requirement would have been exceeded by a similar amount had it not been offset by underspend in other areas of public expenditure.

Sir Geoffrey said government borrowing in the year 1980-81 was likely to be less than £500m higher than the estimate of £12,760m published after last month's Budget.

The Treasury said the borrowing requirement would have been exceeded by a similar amount had it not been offset by underspend in other areas of public expenditure.

Estimates of the likely increase range between £300m and £500m. The Council of Civil Service Unions, which is organ-

izing the programme of industrial action now in its fifth week, agreed with the Chancellor's figures on the shortfall in tax receipts, but said that he had not taken into account non-payment to the Government of national insurance contributions, which it estimates amounts to a further £300m.

The Chancellor said that more than three quarters of expected tax receipts were still getting through to the Government, but the unions say they are halting 40 per cent of the Government's total income.

The unions said the Government's Budget strategy of raising money out of the economy was being reversed by their action.

The strikes at the VAT computer centre at Southend-on-Sea and the PAYE tax computers at Shipley, near Bradford, and Comberdall, near Glasgow, meant that local tax offices no longer had clear records of tax payments. The statement said that meant the offices could not pursue defaulters or employers who were defaulting.

Submarine work blocked, page 2

Ulster killing of census collector

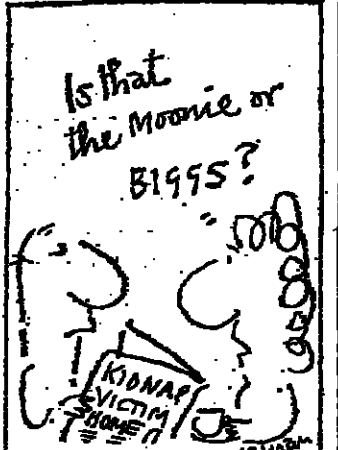
From a Staff Reporter
Belfast

A woman census collector was shot dead at close range by a lone gunman during a predominantly Roman Catholic part of the Waterside district of Londonderry last night.

She was standing on a doorstep in Anderson Crescent when the gunman came up the pathway and stretched a bundle of census forms before firing the shot. Police said that a number of reports of census forms being seized from collectors, sometimes at gunpoint, in the Londonderry area, on Monday evening were being investigated.

A police statement said: "This is a calculated, cold-blooded murder of a young mother out performing a public duty, designed to help the peace of the area."

Provisional plan: Last month Provisional Sinn Fein, the political wing of the Provisional IRA, announced plans to disrupt the census in an attempt to make it meaningless (the Press Association reports).



Biggs extradition decision put off for day

Bridgeport, April 7.—Mr Frank King, the Barbados Chief Magistrate, postponed until tomorrow a decision on the extradition of Ronald Biggs, the great train robber, after the defence had argued that the extradition agreement with Britain was invalid.

A defence lawyer said he had learnt that the extradition agreement had never been formally approved.

He asked for the adjournment so that an official of the House of Assembly could verify this.—UPI.

Britain rebukes Russia at security talks

Britain has used blunt terms to condemn the Soviet Union's stalling tactics at the European Security Review Conference in Madrid. The chief British delegate at the talks said: "We are not prepared to see this meeting carry on endlessly without any sign of substantial change or the better Soviet behaviour." The talks will be adjourned on Friday and are due to be resumed on May 5.

Plot inquiry refused
Mrs Margaret Thatcher has refused a public inquiry into allegations of a plot in 1968 to overthrow the Wilson Government. She said she had seen nothing "to suggest that there was anything that came even remotely near to being a serious conspiracy to undermine or overthrow parliamentary democracy."

Governor guilty
Mr Colin Honey, Governor of Albany Prison, on the Isle of Wight, was guilty of contempt of court in stopping a prisoner's complaint about him being sent to the High Court, the Divisional Court held. His conduct was calculated to prejudice the requirement that all citizens should have access to the courts. Law Report, page 17

Space launch snags

Snags continued to crop up in the countdown to the launch of the United States space shuttle Columbia, though officials still assert that the craft can be fired into space on Friday morning as scheduled. However, even if the countdown is completed on schedule, weather conditions could still delay the launching.

Tough Husain line
Mr Alexander Haig, the American Secretary of State, encountered the toughest talking of his Middle East tour when he met King Hussein. The King dashed any lingering hopes that Jordan might be brought closer to the Egyptian-Israeli peace process. Page 6

The good and the bad in Whitehall

After the paper criticizing Whitehall's failure to maintain an adequate standard of good housekeeping in its activities or an acceptable stewardship of about £50,000m of public money a year, it can be seen that sound and incompetent internal audit practices co-exist in Whitehall. Page 3

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Red Brigades rift

Red Brigades terrorists admitted responsibility for the murder of a waiter in Rome. It was the first attack since the arrest of Signor Mario Moretti, one of the alleged leaders of the organization. His capture is linked to a rift in terrorist ranks. Page 7

Demonstrators force delay on Coin St site

Demonstrators forced the postponement of a public inquiry into the plan to redevelop the Coin Street site on the south bank in central London. They twice made Mr Victor Kladov, the inspector, leave the platform at County Hall. He will try to start the proceedings tomorrow. Page 4

SDP split on Liberals

Social Democrat MPs and members of the party's steering committee decided against forming a joint negotiating committee with the Liberals as early as next week. Although the SDP leaders had favoured the move, MPs were unwilling to be rushed. Page 2

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مكاتب التحرير

Charity Commission to reexamine Moonies

By a Staff Reporter

Miss Susan Swatland, the student teacher kidnapped on behalf of her parents from the Moonies, or "Unification Church", and later "deprogrammed", was reunited with her family yesterday after flying home from the United States.

At the same time the Charity Commission, after a meeting with six MPs, announced that it would reconsider its decision last week to allow the church to remain a registered charity, as an important element of its tax-free status.

Miss Swatland, aged 21, who was accompanied by her mother, arrived looking tired after a night flight to Gatwick, where she was welcomed by her father, Mr Michael Swatland, a Kent poultry farmer, and her brothers.

After driving her to the farmhouse at Egerton, near Ashford, Mr Swatland said: "I am surprised how well she looks, considering what a dreadful time she has had. We are all delighted she is back."

Mr Swatland said his daughter went to bed for a long sleep soon after returning home. She became involved with the Moonies last summer while on holiday in California, when a young man on the beach invited her to a "community centre".

Her parents grew worried when she did not return to college, and in October flew out to San Francisco where they were "horrified" by the transformation in her. Mr Swatland said she looked like a robot.

The Swatlands then approached a group of "deprogrammers", former Moonies set up to rescue and "recondition" members of the sect, and asked them to abduct their daughter. About a month ago, she was bundled into a car in a San Francisco street and after a week's deprogramming was taken to a secret rehabilitation centre outside California.

Miss Swatland is now said by her parents to be "her old self", but Mr Swatland said last night that both she and her mother, who had stayed in America to supervise the opera-

tion, had "gone through a lot". Conservative MPs yesterday welcomed the commission's decision to review its ruling last week, made a few days after the Unification Church had lost its six-month libel action against the *Daily Mail* newspaper.

Mr David Meller, MP for Putney, and one of six who saw Mr Terence Fitzgerald, the chief charity commissioner, for an hour's meeting at the commission's headquarters, described it afterwards as successful.

The jury in the libel action recommended that the Moonies' tax-free status should be investigated because it was a political organisation. The Commission said last week, however, that the claims made against the sect were for the High Court or legislation by Parliament.

The chief commissioner will now be consulting his two colleagues and will probably also take new legal advice. *Letters, page 15*



Mr David Meller, Tory MP for Wandsworth, Putney (foreground) with a group of MPs he led to meet Mr Terence Fitzgerald, the Chief Charity Commissioner, yesterday. Left to right: Mr Charles Morrison (Devizes), Mr Michael Ancram (Edinburgh, South), Sir Timothy Kitson (Richmond, Yorkshire), Mr John Ryman (Blyth, Lab), and Mr Timothy Sainsbury (Hove, C).

Holiday tax denial by Treasury

By Our Political Editor

After letting the story run for a few days, the Government last night said value-added tax would not be imposed on package holidays abroad.

In a letter to the president of the Association of British Travel Agents, Sir Geoffrey Howe, Chancellor of the Exchequer, stated that "although the suggestion was made by a Member of Parliament, the Government has at no time had any such plans."

Mr Robert Adley, Conservative MP for Christchurch and Lynton, last week suggested the holiday tax as an alternative to increasing petrol tax by 20p a gallon, which took effect in last month's Budget.

However it was not until last Sunday's newspapers that the story was given prominence, although official speculation was discouraged.

The Chancellor's letter explaining the impossibility of double taxation gives grounds for believing that the Treasury must have had a good look at the idea before deciding it was impossible.

The Chancellor wrote: "Prices for foreign package holidays already include all appropriate tax, including foreign tax on those goods and services to be supplied abroad, and United Kingdom on those supplied here."

United Kingdom VAT is essentially a tax on goods and services supplied or consumed in the United Kingdom, as is recognized in the EEC sixth VAT directive, which limits VAT to goods and services supplied within national territories. It would certainly be wrong to try to impose double taxation."

Prayer book 'bias' charge by MPs

By George Clark Political Correspondent

Mr Margaret Thatcher came under attack from some Conservative backbenchers last night for appearing to take sides in the dispute over the Church of England proposal for using the new alternative Services Book in place of the Book of Common Prayer.

Mr John Biggs-Davison, Conservative MP for Epping Forest, asked the Prime Minister at question time whether she would refuse the rumour that ministerial pressure was being brought to bear to prevent the introduction of a Private Member's Bill to preserve the old Prayer Book.

Mrs Thatcher told him to await the proceedings on the Bill, which is to be put before the Commons today under the 10-minute rule for the introduction of Private Members' measures, by Lord Cranborne, Conservative MP for Dorset, South.

"He must not be surprised if many MPs and peers feel they must constitutionally support the Synod of the Church of England," Mrs Thatcher replied.

Mr Biggs-Davison had said that the purpose of the Bill was to preserve the book for those who wished to use it for their worship in preference to the new ASB.

Mr John Stokes, Conservative MP for Halesowen and Stourbridge, said last night: "The Prime Minister has been given bad advice. MPs in the Commons still have a residual responsibility in these matters because the Church of England is still the national church."

"In some ways, I think we more truly represent Anglicans who wish to keep the old Prayer Book than the General Synod."

"I am horrified that the Government has put on a three-line whip against the introduction of Lord Cranborne's Bill. It means that Ministers and the so-called payroll vote will be brought out to defeat us."

The introduction of the Alternative Services Book was the culmination of determined work by the "trendies" in the Church of England, he said. It was being resisted by thousands of parishioners who loved to hear the traditional words in church services.

After Lord Cranborne has spoken today in favour of his Bill, Mr William van Straubenzee, Conservative MP for Wokingham, the Second Church Estates Commissioner, who answers questions in the House on behalf of the Church, will ask the House to vote against it.

The main provision in the Bill is that the Book of Common Prayer should be used in each parish at least once a month if 20 of those on the parish electoral roll so petition the incumbent.

Lord Cranborne alleges that in many parishes the incumbents have introduced the new liturgy without consultation, or that they have pressurised the parochial church council into accepting innovations as "experiments" which have rapidly become permanent orders of service.

In a note circulated to 60 MPs, Lord Cranborne says his object is to save the Prayer Book from "ritual murder".

In the Lords, Lord Sudeley, a Conservative peer, will seek to introduce a similar measure. There will be a full debate; 13 peers have already given notice that they wish to speak.

Leading article, page 15

'Coup' assurance

Thatcher ruling: No serious plot

By Fred Emery Political Editor

"Nothing... that came even remotely near to being a serious conspiracy to overthrow or overthrow Parliamentary democracy" was Mrs Margaret Thatcher's characterization yesterday of the 1968 meeting involving the late Lord Mountbatten, Mr Cecil King and, as they then were, Mr Hugh Cudlipp and Sir Solly Zuckerman.

The Prime Minister, in a letter to Mr Edward Leadbitter, Labour MP for Hartlepool, who had called for a public inquiry, said that the allegations referred to did not call for one.

She went on: "The three surviving participants have all given their accounts of what happened in question, and I have seen nothing in these accounts or anywhere else to suggest that there was anything that came even remotely near to being a serious conspiracy to overthrow or overthrow Parliamentary democracy."

It was stated in Whitehall that officials had looked into the matter for Mrs Thatcher and had found that it was not to be taken seriously.

The Prime Minister's letter was written the day after it had been insisted in Whitehall that she did not intend in getting involved in discussing the affair.

Since then hitherto unpublished evidence of Lord Mountbatten's attitude towards the matter has been published in a version given by Mr Cecil King to *The Times* last week, was published in the current issue of *The Times* magazine. Under the headline, "Sedi-

tion in the Establishment?" *Time* reported that in 1978 Lord Mountbatten had given an exclusive interview to its staff correspondent, Mr Frank McVie, in which he quoted Lord Mountbatten as saying: "Cecil King came to see me, at his own request, and said would I take over the country, to which my reply was to kick him out."

"I asked Mr King to leave, and he left with Cudlipp 20 seconds after Zuckerman, King was a man filled with *folie de grandeur*, saying 'I can fix it'. I said, 'This is rank treason. Our'."

The time between the two departures is here much shorter than the "not more than a minute or two" in the written version that Lord Mountbatten gave in 1975 to Lord Cudlipp, which the latter then included in the next year in his book *Walking on the Water*.

And Mr King, contesting that last week disclosed what he called a contemporary note of the meeting which gave lengthy detail of the purported discussion with Lord Mountbatten after Sir Solly left. In it, it would have taken more than 20 seconds, Mr King indicated the Queen's concern. He said he had withheld mention of it, and released it only now "because of all this nonsense about plots."

Mr King insists that the accusation of "treachery" attributed to Sir Solly was never made.

Last night, Mr Leadbitter, noting the contradictions, challenged the discrepancy. Lord Cudlipp, Lord Zuckerman and Mr King, to produce what proof and evidence they had.

SDP split over Liberals

By Our Political Editor

In the first notable disagreement with the Liberal Party, a majority of Social Democratic MPs and other members of the party's steering committee last night refused to be rushed into setting up a joint negotiating committee with the Liberals as early as next week.

Mr David Steel, Liberal leader, leaves for a visit to China next week which lasts over the Easter recess; he had hoped to announce beforehand the setting up of such a committee. It seems, however, that Mrs Shirley Williams, Mr Roy Jenkins, Dr David Owen and Mr William Rodgers.

But a long meeting yesterday of most of the party's 34 MPs, which included Mr Steel, a group which includes MPs and former MPs like Mr David Marquand, decided against deciding before Easter. One participant said the Liberals had tried to "bounce us into an agreement—and we are not having it."

Some of the former Labour MPs, reflecting on past fights with the Liberals, wish to go slower, or, as one source put it, "up the price."

Mr Shirley Williams, co-leader of the SDP, said in Kensington this week: "We will form the next government, in alliance with the Liberals." The Liberals had hoped that that pre-announced agreement.

But yesterday Mr Steel, like Edward Lyons (Bradford, West), were said to have complained that they found it embarrassing to work locally with the Liberals. There were complaints that others, like Mr Richard Crossman (Liverpool, Tories), had endorsed Merseyside Liberal candidates in the county council.

Mr Neville Sandelson (Hillingdon, Hayes and Harlington) said that he was sure he would have no trouble working with the Liberals.

The suggestion that there had been any clash at yesterday's meeting was dismissed by those attending, and it was said that all were agreed on the strategy of seeking an electoral alliance.

Union rebel honoured at dinner

By Our Political Editor

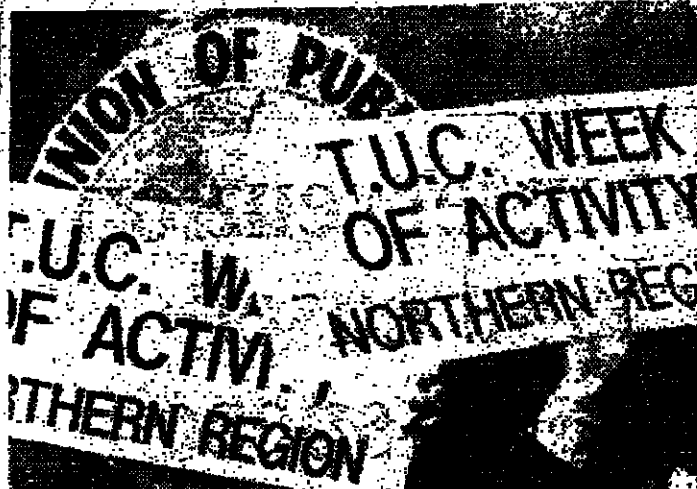
Miss Joanna Harris, who was dismissed from Sandwell Council, West Midlands, for refusing to join a trade union, after other staff had voted for a closed shop, was honoured last night at a dinner attended by the Prime Minister.

Mrs Margaret Thatcher, who was with Miss Harris, aged 20, when she was dismissed, was on behalf of the Ross McWhirter Foundation.

The organization said it wanted to keep a "low profile" on the ceremony, in the City of London. The press was barred from the building and there was secrecy surrounding Mrs Thatcher's arrival.

The award was set up in memory of Ross McWhirter, the writer who was shot by IRA terrorists in 1975.

Dinners, page 17



Trade unionists from the North-east marching to Parliament to lobby MPs yesterday.

TUC appeal to boost jobless aid

By Our Labour Staff

The TUC is to start an appeal for local funds to boost its programme of advice and social centres for the unemployed.

Mr Kenneth Graham, assistant general secretary of the TUC, announcing that yesterday, said that individual unions needed to increase their efforts to recruit and retain in membership the unemployed.

He told a conference in London organized by the Mutual Aid Centre that it was especially

important for unions to involve unemployed young people "to counter the antidemocratic and extremist elements."

Mr Graham said that by the end of the month about a dozen full-time centres aimed at helping and involving unemployed workers would have been established. A further 30 centres had been established on a part-time basis.

At a conference in Liverpool yesterday organized as part of the TUC week-long campaign

against government policies, Mr David Lea, the TUC's other assistant general secretary, forecast that the Prime Minister's request from monetarists would be like Napoleon's from Moscow, with devastation on every side.

Trade unionist and Labour MPs from the North-east and Cumbria marched through London yesterday before lobbying the House of Commons, a move organized by the Northern Regional TUC.

Queen's Flight aircraft to stay in service

By a Staff Reporter

The aircraft in the Queen's Flight, used to transport the royal family, will remain in service for the time being after the ministerial review of their age and suitability, MPs were told yesterday.

Three Andovers in service have been used since 1964, and two Wessex helicopters were bought in 1963. Three times in the past four years the question of replacing the Andovers has been raised in Parliament.

Yesterday, answering a written question, Mrs Margaret Thatcher said that replacement of aircraft in the Flight had been reviewed by her and defence ministers.

"We reluctantly came to the conclusion that replacement should be deferred for the time being. The aircraft of the Queen's Flight have excellent safety records."

The turboprop Andovers are used for flights up to 800 miles, while the helicopters cover shorter trips. The last time the Andovers were sent on a royal trip was in 1979, when they carried the Queen and Prince Charles to a Commonwealth summit in London.

The Andovers flew 1,500 hours, of which 425 hours were spent on royal trips and 115 hours on carrying ministers or Service chiefs.

Reply sends MP through the roof

From Tim Jones Cardiff

In bed with flu, Mr Dafydd Elis Thomas, one of the two Plaid Cymru MPs, suffered a setback yesterday when he learned that the blue-tinted glass roof covering the ornate courtyard in the new Welsh Office building in Cardiff cost £225,000.

Mr Thomas had asked in a parliamentary question for the cost of the special glass installed in order to facilitate growth of native plants at the Welsh Office.

In his reply, Mr Geoffrey Finsberg, Under-Secretary of State at the Department of the Environment, said the blue-tinted glass did help the plants to grow but was no more expensive than other glass used in the building.

He explained: "Glazing was essential to allow full use to be made of the space within and surrounding the courtyard. His ministry had already explained that the plants cost £73,000 to buy."

Mr Thomas was unimpressed. "This reflects Government policy: no money for jobs, huge housing cuts of 80 per cent, but plenty to spend on plants. My temperature has risen and I am staying in bed."

Unemployment cuts AUEW membership

By Donald MacIntyre Labour Reporter

The Amalgamated Union of Engineering Workers has reduced its affiliation fees to the TUC to £800 a year, in return for a reduction in the union's contribution to the unemployment fund.

Announcing the loss of membership, the first after five years of growth, the union said yesterday that it had decided to affiliate to the TUC on a basis of 1,100,000 members, 117,000 fewer than last year.

Sir John Boyd, general secretary of the union, said that he was working on measures that could save the union up to £500,000 a year.

Those expected to include cuts among the union's office staff, who number more than 500. Sir John emphasized that they would be achieved through natural wastage.

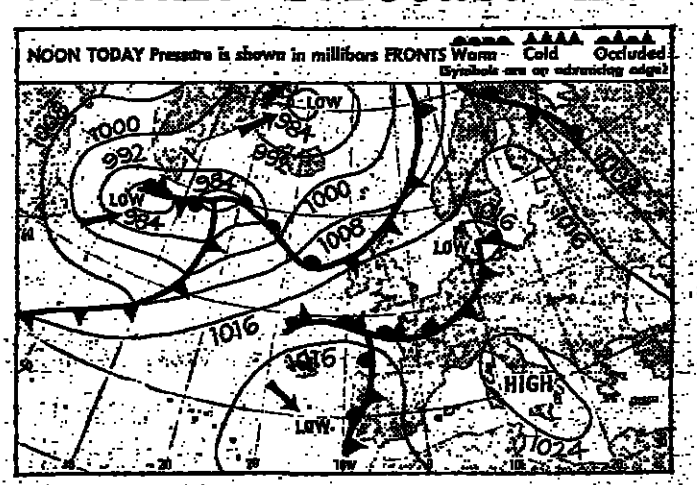
The loss, in subscriptions because of falling membership, is apparently a direct result of unemployment, has not been fully calculated.

Although the union, anticipating cash flow difficulties, secured a credit facility of up to £900,000 from the Midland Bank, Sir John said, that the union had not had to make use of it.

The union's overall financial position, moreover, remains secure with a £6m general fund and a further £7m spent in 1980 in the union's members' and officers' pension funds.

The fall in membership which is common to most of the older established unions with members in manufacturing industries may be a result of pay and conditions cuts, but Sir John said that the union staff who have rejected an offer of 8 per cent plus a further 1 per cent if they agree to payments by credit transfer instead of cash.

Weather forecast and recordings

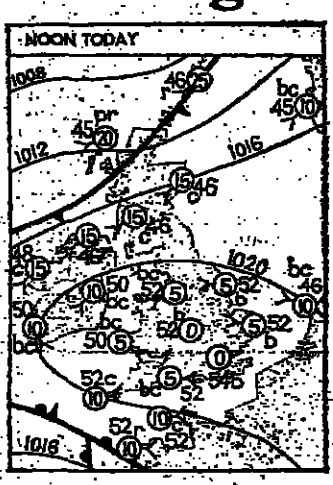


Today
Sun rises: 6.21 am
Moon rises: 6.29 am
Sun sets: 7.45 pm
Moon sets: 12.38 am
Forecast: Partly cloudy with some rain in the NW and later in the S; temperatures 12-18°C (54-64°F).

First Quarter: April 11.
Lighting up: 4.15 pm to 5.48 am.
High water: London Bridge, 4.39 am, 7.7m; 3.22 pm, 7.4m. Avonmouth, 10.43 am, 13.7m; 10.33 pm, 13.2m. Dover, 2.02 am, 6.8m; 2.22 pm, 6.6m. Hull, 9.34 am, 7.7m; 9.31 pm, 7.3m. Liverpool, 2.21 am, 9.7m; 2.47 pm, 9.7m. 11-12.30 am, 12-3.28 pm.

Pressure is expected to remain high over S Britain but a cold front will affect some N parts. Forecasts from 6 am to midnight: London, SE, central S, E, central N, England, East Angles, Wales, Scotland, Ireland, and the Channel. Sunny periods developing after misty start; wind light and variable; max temp 14°C (57°F).

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NOTICE TO DEPOSITORS

The National Savings Bank announces that with effect from 1st May 1981 the interest rate payable on Investment Account deposits will be 13% per annum.

IRA considers court fight over election media ban

From a Staff Reporter Belfast

Supporters of Mr Robert Sands, the Provisional IRA hunger striker who is a candidate in tomorrow's by-election in Fermanagh and South Tyrone, are considering legal action in the Northern Ireland High Court to allow him access to radio and television.

Mr Humphrey Adkins, Secretary of State for Northern Ireland, yesterday rejected an application by Mr Sands, who is serving 14 years for possession of firearms, for such access.

His campaign organizers immediately sought legal advice on the provisions of the Representation of the People Act, which requires broadcasters to observe strict balance between candidates.

Both the main television channels, as well as hosts of British and foreign newspapers, have been refused permission by the Northern Ireland Office to see Mr Sands, who is in the hospital wing of the Maze prison near Belfast. He has not taken food since March 1.

The Northern Ireland Office said that Sands was being allowed extra visits from his election agent, Mr Owen Curran. The Provisional Sinn Féin claimed that the Government's action was a denial of his rights as an election candidate.

The election, a straight fight between Mr Sands and Mr Harold West, the Official Unionist, is an acrimonious contest.

There is a growing feeling among many local Roman Catholic political leaders that there will be many abstentions by nationalist supporters who do not want to vote for an IRA man.

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Civil servants may stop submarine patrol

By Staff Reporters

Civil servants at the Royal Navy's nuclear submarine base on the Clyde yesterday refused a request to return to work to allow the nuclear submarine HMS Resolution to go out on patrol again after it returns shortly.

Mr William Wright, deputy general secretary of the Institution of Professional Civil Servants, said that if Navy per-

sonnel were brought in to prepare the submarine for sea, they would be taking action in defiance of what he called their "moral problems".

The Navy yesterday declined to comment on the meeting, but Mr Wright said that the commander at the base had asked that about 55 staff on selective strike at Coullport, where the Polaris warheads are held, and the Faslane, where the submarines are serviced,

return to work. They had refused.

"We accept that this is putting the deterrent at risk, but that is a matter for the Government to decide."

The unions say that only Coullport is capable of installing the Polaris missiles.

The Royal Navy said in a statement that the operational capability of the Royal Navy is not being affected.

مكتبة الركن

MPs fail to resolve a conflict of evidence in BSC privilege case

George Clark, Political Correspondent

Because of a conflict of evidence, the House of Commons Committee of Privileges was unable to decide today whether Mr Ian Campbell-Saunders, chairman of the British Steel Corporation, had committed a breach of privilege in a conversation with Mr Dale Campbell-Saunders, Labour MP for Workington, in December 1979. The MP had alleged that Mr Campbell-Saunders had threatened to end her investment by the corporation at Workington if he failed to make speeches in support of the kind he had made in a debate on the steel industry on December 16.

Mr Campbell-Saunders said that he drew attention to the fact that statistics had been "doctored" with a view to the closure of the Disington and Wetherill, and threatened on what he regarded as deficiencies in the managerial structure of the corporation.

Although the committee did not resolve the conflict of evidence, it said in its report, published yesterday: "It is of the utmost importance that Members should be able to speak freely in the House without fear of the consequences, while at the same time recognizing their responsibility for the substance of what they say."

We are not satisfied that a conflict of privilege or a conflict of evidence has taken place on this occasion."

There was no verbatim record of the conversation, and the committee, under the chairmanship of Mr Francis Pym, member of the House of Commons and Leader of the Opposition, received evidence from both Mr Campbell-Saunders and Mr Campbell-Saunders.

Documents submitted by the corporation in different ways, remarks alleged to have been made by Mr Campbell-Saunders at various stages of the conversation; those submitted by Mr Campbell-Saunders denied the alleged threats.

There were two main areas of doubt. The first was whether Mr Campbell-Saunders had threatened to end his investment in the BSC investment.

ment in Workington would result from his deliberate action in retaliation for Mr Campbell-Saunders' conduct or would merely be an inevitable consequence of it.

"The second was whether any alleged threat by Mr Campbell-Saunders was made in relation specifically to what Mr Campbell-Saunders might have said, or be likely in future to say, on the floor of the House."

If it could be established that Mr Campbell-Saunders had threatened to end his investment in Workington if he failed to make speeches in support of the kind he had made in a debate on the steel industry on December 16, it would be a breach of privilege, Mr Campbell-Saunders said, then, however distasteful his predictions might be, he was doing no more than what he was entitled to do.

"Mr Campbell-Saunders maintained that, in spite of his very strong feelings about much of the effort he had personally put into the prospects for Workington, he would be undermined by Mr Campbell-Saunders' activities in or out of Parliament, he had no intention of making any threats of personal intervention such as had been alleged by the honourable Member, and had not done so."

"Still less had he said anything which was intended to limit in any way Mr Campbell-Saunders' freedom to say whatever he chose in the House of Commons."

In evidence, the MP said: "The threat made against me at the meeting, despite the various literary reinterpretations, direct and indirect, as I understand it, that is the issue. In all the statements I have made, I have not done anything to detract from the directness of the threat."

The committee said: "Whatever was said was likely to have been subject to the stresses of the moment. Mr Campbell-Saunders may have spoken in terms that he would not have used if he had been reading a prepared statement, and indeed he conceded to us that he might have over-reacted to Mr Campbell-Saunders' observations."

Report from the Committee of Privileges. Complaint of a Conversation concerning British Steel Corporation Policy towards Workington, Stationery Office (E3-40).

Seeking a remedy for Whitehall's poor housekeeping

In the wake of the report criticizing Whitehall's failure to maintain an adequate standard of good housekeeping in its activities or an acceptable stewardship of about £60,000m of public money annually, Peter Hennessy and John Witherow reveal some of the shortcomings and discuss possible remedies.

In one of the more dramatic Commons hearings in recent years, Sir Douglas Henley, Comptroller and Auditor General, Parliament's watchdog on spending and efficiency, produced on Monday a memorandum on internal audit that raised a fundamental question about the competence of central government.

If on the basis of evidence uncovered by his inquiry, Whitehall departments are so bad at managing their own internal financial control and accounting, how can the taxpayer be satisfied about their ability to ensure the efficient running of the country?

Apart from operating a machine of 695,100 civil servants at an annual cost of £8,300m, ministries have the direct responsibility for disbursing about £60,000m of public spending each year.

In committee room 16 on Monday evening, Sir Douglas provided the Commons Select Committee of Public Accounts with a loaded pistol to point at the heads of the two permanent secretaries called before it.

Ironically, one of them, Sir Anthony Rawlinson, Second Permanent Secretary responsible for the Treasury's public services sector, now fills the position Sir Douglas occupied between 1972 and 1976 before moving on to work on behalf of Parliament as head of the Exchequer and Audit Department.

Sir Douglas is a quiet, subfusc man, whose style, if anything, is to understate a case. A sense of drama was the last thing he brought to his report when discussing it yesterday afternoon in his office on the Victoria Embankment.

Asked to encapsulate the heart of his memorandum, he replied: "We want to get more impetus behind the kind of things internal audit ought to be doing and we want them to be carried out with the most effective

techniques. For this purpose, we do think that a higher proportion of qualified people is necessary in most but not all departments."

"This particular problem is by no means restricted to the public sector. Certainly, the role of computer audit, internal and external, is a very serious problem right across the accounting world."

In 1980 Sir Douglas's auditors examined the practices of 34 departments, using the intimate knowledge they have gained by working alongside them on routine auditing duties. Their inquiry, Sir Douglas said yesterday, revealed that, with a few exceptions, the function of internal audit was regarded as a Cinderella activity by top civil servants.

Asked to comment on the pleasures of turning gamekeeper after a lifetime spent as a Treasury poacher, Sir Douglas abandoned understatement to speak with feeling about the need for the Comptroller and Auditor General to be close to the Treasury while remaining totally independent of it, and everybody else for that matter.

Defence exempted

One of the messages of the Henley memorandum is the coexistence in Whitehall of two inadequate internal audit practices. Sir Douglas would not be drawn by the public accounts committee on Monday into naming the good and the bad departments.

Sir Anthony Rawlinson, held up the Ministry of Defence as an exception that should be exempted from the Comptroller's general strictures, a view that would be generally shared by the rest of Whitehall and not just in the ministry itself.

In appendix B of his memorandum, Sir Douglas summarizes the audit practices of four departments, two of which clearly did not reach the standard he expected of them—the Department of Education and Science and the Property Services Agency, which is part of the Department of the Environment but reports separately to the public accounts committee.

The Ministry of Defence is responsible for keeping track of the country's largest single budget. With an annual expenditure of £12,000m, no enterprise, public or private, can match it in the proportion of national resources it consumes.

The ministry employs 300 accountants, 23 of whom work on internal audit. In 1979 it introduced a new accountability scheme to cover all its activities designed by Mr George



Sir Douglas Henley: Treasury poacher turned gamekeeper.

Emery, Director-General of Defence Accounts, who retired last year.

It is known as the ABC system. A is for "acquisition", cash used for people, kit and services. B is for "buffer stocks", equipment, buildings and physical assets. C is for "consumption", a measure of all the outputs that make up the spending total.

The Department of Education and Science (DES), and the Office of Arts and Libraries to which it offers shelter, handle about £3,420m of receipts and payments each year. Sir Douglas's investigation discovered that its internal audit team amounts to 10 staff led by a senior principal who works on the subject part-time.

According to his memorandum: "DES operates large-scale computerized accounting systems but the internal audit unit contains no fully trained computer auditors and has not been able to cover these areas adequately. An officer with computer experience has recently been

appointed to help deal with this aspect."

The Property Services Agency's annual receipts and payments amount to about £1,750m. The head of its internal audit unit is a professional accountant who supervises 63 officials. A high-level internal audit committee, chaired by the principal finance officer of the Department of the Environment, reviews the unit's work regularly.

Sir Douglas discovered: "The unit bases its work on annual and long-term audit plans. Much of the work is becoming systems-based... but the unit has not yet been able to deal fully and effectively with computerized functions."

Whitehall employs 1,010 accountants, 27 of whom work in Sir Douglas's Exchequer and Audit Department. Only 47 of them work full time on internal audit in 11 departments. The remaining ministries have no accountants working on the subject.

The bulk are located in the Ministry of Defence which employs 23. The Ministry of Agriculture, Fisheries and Food has 11, the PSB four and the Home Office two.

The following ministries employ one accountant each on internal audit: Civil Service Department, Foreign and Commonwealth Office, Overseas Development Administration, Stationery Office, Industry and Trade, Central Office of Information, and the Welsh Office.

Laxity and fraud

Sir Douglas's criticism of the Civil Service for poor housekeeping is not the first time that much-maligned body has been accused of profligacy and incompetence.

Few taxpayers would doubt that waste is rife within Whitehall but occasional examples of fraud and inefficiency have revealed the extent of laxity in certain departments.

One of the most severe indictments came in the trial in 1979 of Barrie Wallington Barnes, a Foreign Office bookkeeper who had used a simple technique to defraud the department of £384,356.

Mr Justice Melford Stevenson, the judge, said the frauds had been made possible by lack of competent supervision and that random spot checks "seemed to be rather anemic efforts".

The remedy for the shortcomings of Whitehall's internal audit practices lies in the hands of two bodies, one a part of the country's private system of government, the other in the public domain.

The private entity is an inter-departmental committee known as the Financial Management Co-ordination Group, under the leadership of Mr Geoffrey Littler, a Treasury deputy secretary. Its responsibilities were alluded to by Sir Anthony Rawlinson in his evidence to the Public Accounts Committee. The task of strengthening internal audit was given to it in the aftermath of a review of Treasury-Civil Service Department relationships.

Three-year task

Ministries have been given three years to bring their computer audit capability up to standard. Heads of department have been sent a letter signed jointly by Sir Ian Bancroft, Head of the Home Civil Service, and Sir Douglas Warr, Permanent Secretary to the Treasury, outlining what is expected of them.

The public body responsible for improving internal audit is the public accounts committee itself.

Corruption trial told of woman's fear

Richard Ford

Idlesbrough

A woman told a jury yesterday how at one stage she had feared for her life after she innocently became involved in investigating alleged corruption in the Metropolitan Police.

Miss Joan Millard, of West Endon, told Teesside Crown Court that after hearing a taped conversation allegedly between a petty thief and a police sergeant, she had been threatened and nervous because she could not quite believe

lower, she told Mr John Woods, who is conducting the defence, that no tar had been made against Mr Symonds, aged 45, a Metropolitan Police detective sergeant denies three charges of corruptly accepting total of £150 from Mr Michael Perry in return for giving him over an arrest.

Offshore safety procedures be streamlined

John Huxley

Measures to streamline offshore safety procedures are expected to be announced today. The Department of Energy's director responsible for safety is to be strengthened by staff from the Health and Safety Executive.

That is in line with recommendations made by the govt committee on offshore safety, presented to Parliament 13 months ago. The committee argued that responsibilities for offshore safety should rest on a single government agency.

Ministers are also seeking ways to extend safety zones and installations.

The timing of the announcement is unrelated to the publication of the findings of the inquiry into the Alexander L. Kielland rig disaster, in which 123 people died last year.

The Department of Energy is doing talks with unions and platform operators on introduction of safety committees, similar to those established in most onshore work sites.

Overseas citizens' entry vouchers to stay

Geoffrey Browning

Parliamentary Staff

The Government was committed to maintain the special voucher scheme under which British overseas citizens would be eligible for entry eventually.

Timothy Raison, Minister of State at the Home Office, told Commons committee yesterday. To admit all the special voucher holders at once would use pressure and friction which would damage race relations.

The Government had promised in the British Nationality Bill that those who settled here could be entitled to British citizenship after five years' residence, he reminded MPs considering the Bill.

For British overseas citizens, however, Mr Raison said: "We do not think those in this group should all acquire British citizenship, when the Bill comes into force, which carries with it the right of abode so they are free to come to the United Kingdom as and when they choose."

Mr Raison said the voucher scheme ensured that people who faced hardship would be able to enter Britain at a controlled rate. Once here they would be able to secure British citizenship as an entitlement.

He was replying to an Opposition amendment moved by Mr Roy Hattersley, Opposition spokesman on home affairs, who estimated that about 71,300 people would benefit if British overseas citizens were allowed

Family faces housing dilemma

By Pat Healy

Social Services Correspondent

A homeless mother living on supplementary benefit has been told that it may cost her up to £5,000 if she accepts accommodation from the council that admits responsibility for rehoming her.

Mrs Ann Dawson, who has two sons, the elder of whom is spastic, has been given 12 days, expiring on Friday, April 17, to decide whether to accept an offer of two rooms with shared bathroom, lavatory and kitchen, at £2.50 a night. If she does accept, Arun district council in West Sussex, has told her it will demand £534.71 rent arrears, but will take no steps to recover that while she remains outside the district.

In addition, Arun council will raise an account against her for "a substantial proportion" of the £4,500 costs incurred by the London borough of Sutton in providing bed and breakfast accommodation.

In a letter to Mrs Dawson, the council points out that it will have to repay that sum since it has accepted responsibility for housing the family.

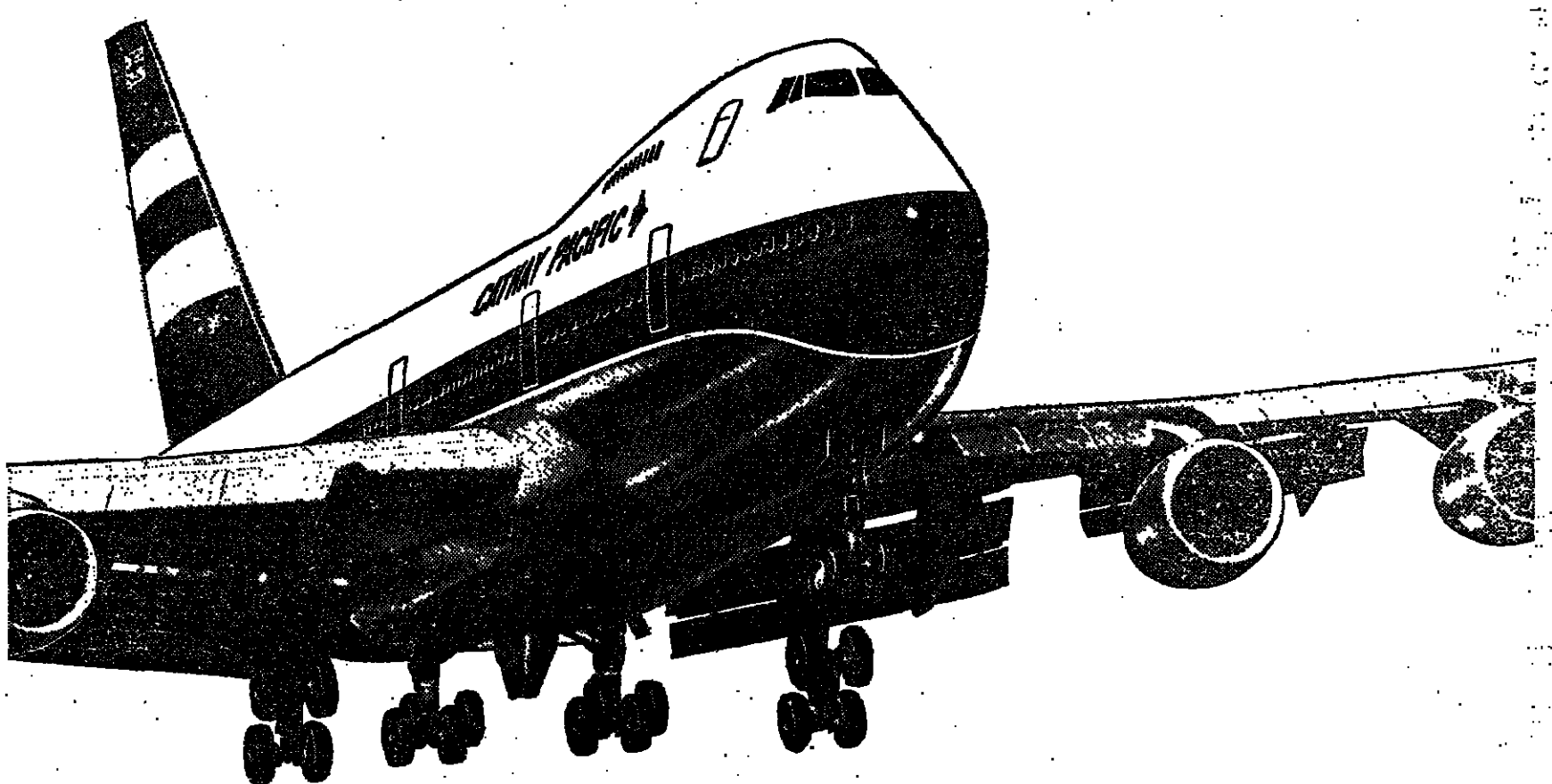
The letter, was described as "monstrous" yesterday by Mr Nicholas Ravensford, director of the Shelter Housing Aid Centre. It appeared to be designed to deter Mrs Dawson from returning to Arun, he said.

Mrs Dawson became homeless in January, 1980, when Arun council evicted her for rent arrears accrued after her husband left her, but provided short-term accommodation. The family later moved to Sutton, where they were accepted as homeless under the Housing (Homeless Persons) Act.

After prolonged correspondence and High Court hearings, Arun accepted responsibility for the family. Mr Edward Ward, health and housing officer for Arun council, said yesterday that Mrs Dawson had been offered hostel accommodation with above average facilities, and would be rehoused to permanent accommodation eventually.

Traffic warning

Traffic will be delayed on the A1 at Sandy, Bedfordshire, from Sunday, April 26, until next spring, because of work on replacing traffic lights with a roundabout at a cost of £810,000.



HONG KONG DAILY NEWS

A Cathay Pacific exclusive

From July 1st there will be only one airline operating a daily, one-stop service between London and Hong Kong - Cathay Pacific. And Cathay Pacific is the only airline that has over 380 flights a week between Hong Kong and all the major cities of Asia, and on to Australia.

So if you're flying east, the Cathay Pacific 747 departs daily at 11.00 a.m. for Hong Kong via Bahrain. You can depend on us.

All seats fully bookable through your Travel Agent, or phone us on 01-930 7373.

BAHRAIN-BANGKOK-BRISTOL-DUBAI-FUKUOKA-HONG KONG-JAKARTA-KOBE-KUALA LUMPUR-LONDON-MANILA-MELBOURNE-OSAKA-PENANG-PERTH-PORTRAJESSE-SEOUL-SHANGHAI-SINGAPORE-SYDNEY-TAIPEI-TOKYO

The Swire Group

CATHAY PACIFIC



Demonstrators drive out inquiry inspector

The Labour Party has stated that if it regains control of the council next month, it will cancel the deal and will broadly support Lambeth council's decision to mix the development of housing and light industry, instead of offices.

Yesterday's demonstrators made it clear that they intended to try to force postponement of the inquiry until after the elections, and that they were in no mood for compromise.

After Mr Radmore had left the platform for the second time, he was said to have told Mr Wickert that he would agree to hear objections once he had been allowed to make his opening statement.

The proposal was put to the demonstrators and to the hands, who unanimously rejected it.

... ..

Fleet

WHO GIVES YOU MORE?

Synonymous with the word fleet, is the word Ford. And if you're in the position of having to buy and maintain cars for an organisation, you're probably aware of this already.

But if, recently, you've been bombarded by confusing arguments from other sources, let's examine the reasons why there is really only one choice for your fleet.

For a start, Ford's range can't be rivalled. We have thirteen Fiesta models. Twenty-six versions of the now famous Escort. Nine Capris, nineteen Granadas, and no less than twenty Cortina variants. That's enough to satisfy anybody. From a sales representative to a managing director.

Then there are the service aspects. At Ford we have a total commitment to the fleet market. This means we not only provide the finest selection of cars, we have an unrivalled back-up service too.

It includes the involvement of fleet operators during the design of new models to ensure they're getting the cars they want.

It encompasses a fleet purchase scheme handled through Ford Motor Credit Company.

And of course, in the background, is the reason why people who buy Ford for their fleet, sleep easy at night: 'Extra Cover'.

This is Ford's optional warranty plan, where for a small sum you can purchase a warranty for an additional twelve, or if you wish, twenty-four months.

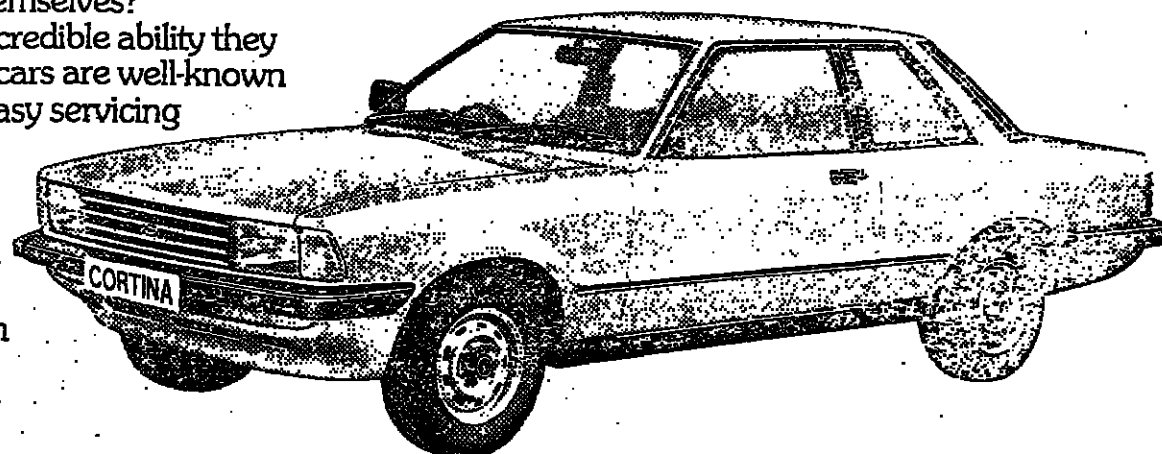
But what of the cars themselves?

Quite apart from the incredible ability they have to hold their value, Ford cars are well-known for their efficiency, reliability, easy servicing and cheap replacement parts. They're also known to be extremely well equipped. But recently, they've become more so. Because on our latest models, we've been fitting even more options as standard.

Naturally all these benefits keep Ford firmly in the number one slot, supplying over half the cars to companies of significant size in the UK today.

And naturally too, these benefits have prompted extensive comparisons from our competitors.

But in the long run, there's only one company who can offer the cars, the service, and the total commitment to fleet: Ford.



Ford gives you more.



Blunt British criticism of Soviet stalling tactics at Madrid talks

From Richard Wigg
Madrid, April 7

Britain spoke out in blunt terms at the European security conference today about the Soviet Union's continuing refusal to honour the obligations it had assumed under the Helsinki Act and its delaying tactics over agreeing a final document to close the talks.

"For all the attention the Russians have been paying to the Helsinki Final Act, it might as well not have been signed," Mr John Wilberforce, the chief British delegate, told reporters after his speech at the plenary. "The Soviet Union has not mentioned Poland by name, references to the continuing crisis in that country were frequently implied in his speech. Britain, not unexpectedly, has taken the frankest line yet against the Russians at a plenary before the conference adjourns on Friday for a three-week break."

The conference will reconvene on May 5 and efforts are being made to limit the session to a four-week duration. If substantial agreement between East and West is not achieved by then, the 35 nations attending the talks will simply fix the date for the next review conference, probably in 1983.

"We are not prepared to see this meeting carry on endlessly without any sign of substantial progress for the better in Soviet behaviour," Mr Wilberforce said. "If we have to acknowledge failure, we can only regret it. In this event the Helsinki Act must be preserved, not diluted by verbal compromises. They must be kept in trust for the next opportunity to secure their realization."

The British delegate scarcely mentioned in his speech the draft-concluding document, which was presented last week by eight neutral and non-aligned countries as a last hope for salvaging something from the Madrid talks.

Mr Wilberforce reiterated the West's proposal on human rights, tabled before Christmas, and then he made a detailed review of the continuing Soviet obstruction of such provisions during the Madrid conference.

Finns sensitive over Nato 'encroachments'

From A Special Correspondent
Helsinki, April 7

Out in the Gulf of Finland there lies an island called Bogskär, a black, frost-encrusted rock, the kind of freezing ocean protrusion upon which navies plant flags to test the mettle of their younger cadets.

Bogskär has, however, acquired a different kind of notoriety over the past few weeks as West German and French military aircraft, surveying the Soviet Navy's wanderings in the gulf, fly above the ice towards Leningrad.

As the crisis in Poland has heightened, so the Nato and Nato-associated countries of West Europe have become more interested in Soviet naval activity and particularly in the movements of the giant aircraft carrier Kiev.

As they will have observed, the Kiev has remained resolutely in the port of Leningrad; but the Finns, ever conscious of their Soviet-observed neutrality have taken exception to the allied flights up international waters.

Twice, without publicity, but with discreet reference to the media powers involved, they have formally protested to the



West Germans and French about encroachments on Finland's sovereignty territory.

The piece of Finland which has been aeronautically infringed, of course, is the gloomy mass of Bogskär. No one has taken the business too seriously; but the Finns have made their point.

The Nato powers put such sensitivity down to the notion that Finland's proximity to the Soviet Union, not to mention its unhappy alliance with the Third Reich in the second half of the Second World War, has placed it in a position of unacknowledged but genuine subservience to the Russians.

After all, they ask, what else can Finland do but complain about Nato's belligerence when its treaty of friendship with the Soviet Union permits the Russians to give it "the help

required" to fight off an aggressor.

The latest stage in Poland's political revolution happens to coincide this week with the thirty-third anniversary of that controversial, but unviolated, treaty and, watching events further down the Baltic coast, Finns have been asking themselves just how cloying a commodity Soviet friendship might be.

The Warsaw Pact manoeuvres from Tallinn down to the Polish border have been watched with cold detachment by the Finnish military authorities although the country's communists have been acutely aware of the counter-productive effect the operations may have in Finland.

It is perhaps not surprising that the Helsinki Swedish language community journal *Ny Tid* has just published a long article purporting to give details of a Nato war game in which Western and Soviet armies fought bloody battles across the Finnish "lake district", the swathe of forested mountains and lakes north of Helsinki.

According to the paper, which allegedly takes its information from an Italian source—

a Nato computer in Brussels suggested in an exercise code-named Cimeter 81 last month a confrontation between the armies of the North Atlantic Treaty Organization in Europe.

According to the paper, the Russians faced Nato armies in Yugoslavia and along the northern Norwegian border—all the way to the Arctic circle, the way to the Arctic circle, the way to the Arctic circle, the way to the Arctic circle.

That, *Ny Tid* comfortingly concluded, proved "how the Nato generals play with Europe and the world".

In a country which still respects the Soviet Union's willingness to guarantee Finnish independence when the rest of East Europe has fallen under Russian domination, such articles might be expected to gain some credence. But Finland, while it may show rather too much deference to Russian sensitivities, is probably too proud of its freedom to compromise itself.

After all, the Finnish Government has reiterated its belief that Poland's problems should be solved by domestic means "without outside interference".

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Poland's crisis has begun to affect Finland economically—80 per cent of its coal came from the Polish fields and the entire supply has been temporarily cut off—and the Finns are aware that Polish refugees just might come drifting up the Baltic towards them.

It is true that the Finns cannot be expected to raise their voices if the Russians invade Poland. They are in no position to break off diplomatic relations with the Russians in the unlikely event that they should want to do so; and Marshal Mannerheim's instinctive understanding of Soviet strategic fears has been passed on to his political descendants.

Finnish television broadcast its own production of *The Good Soldier Schweik* not long ago and the adventures of that Czech warrior's consistently brave acceptance of adverse conditions turned the serialized drama into an overnight success.



President Brezhnev of the Soviet Union (centre) receiving a standing ovation at the Czechoslovak party congress in Prague yesterday from (left to right) Mr Milos Jakes, Mr Antonin Capek, Mr Václav Hula, Mr Peter Colotka, Mr Alois Indra, Mr Vasil Bilak and Dr Gustav Husak.

Mr Brezhnev reaffirms his trust in Polish communists

The following is the partial text of the speech delivered by President Brezhnev at yesterday's session of the Czechoslovak Communist Party congress in Prague as supplied by the Novosti Press Agency:

Comrades, this year you will also mark the sixtieth anniversary of the foundation of the Communist Party of Czechoslovakia. Your party is approaching its jubilee as a militant and mature social force that has accumulated a wealth of valuable experience of political struggle, of management of society. This experience is the guarantee of successful socialist construction in Czechoslovakia itself. It is also of great significance to other parties, to the international communist movement as a whole.

This experience includes... the victory over the forces of counter-revolution in 1968, the capability to draw profound political conclusions of durable significance from the events of that time—this is also a great contribution of the Czechoslovak Communists to the development of the world revolutionary process, the great service to all the fraternal countries.

The Communist Party of Czechoslovakia is now confidently leading the Czechoslovak people along the lines of building a mature socialist society.

Cardinal problems of your country's social and economic development are resolved in a socialist way. You have ample grounds to take pride in the level of the material well-being of the masses achieved in Czechoslovakia.

The countries of the socialist community resolve versatile and, naturally, increasingly deeper and more complicated tasks on the path of the further development of the society of mature socialism. And we have to do it in the conditions of mounting opposition and, sometimes, openly hostile

actions on the part of the most aggressive forces of imperialism. We in the Soviet Union, recently put forward at the twenty-sixth congress of our party a number of absolutely concrete proposals aimed at settling the most acute and urgent international problems in the interests of peace and security of all peoples.

Here, in the centre of Europe, I would like to dwell on just one of the new Soviet proposals.

The unbridled nuclear arms race in Europe is becoming lethally dangerous for all European people. In order to start in some way the practical solution of this problem, we propose that, for the time being, at least, a line be drawn under what exists, that is to put an end to the further deployment of new, and replacement of both Soviet and Nato medium-range nuclear missiles stationed in Europe.

This includes, naturally, the American nuclear forward-based systems in that region. The moratorium could be valid until a permanent treaty is concluded on the limitation and, better still, on the reduction of the above-mentioned nuclear means of both sides in Europe.

Naturally, our proposal for the moratorium is not an end in itself. It has been made with the intention of creating a more favourable atmosphere for talks. We regard as the objective in a few days. They are doing so, since they would like to change it in Western favour and are unwilling to bind themselves with a moratorium.

But such attempts—and this should be clearly understood—will only impel the other side to take retaliatory steps. A vicious circle will be witnessed again—the situation in Europe will become more precarious to all. It is so difficult for the governments of Western powers to understand that?

On the whole, comrades, our proposals mean settlement of the

most topical international problems, which are of course significance for the consolidation of peace. We propose that the parties concerned should have business-like, constructive negotiations on these issues—at any level, without any preliminary strings attached. If anybody has other reasonable proposals, we are ready to consider them for discussion.

But, frankly speaking, so far we do not see a particular readiness for negotiations on the part of the governments of Western powers.

Meanwhile they demand as 'payment' for the Western consent to negotiations we should stop considering the interests of our own security and give no assistance to our friends when they are subjected to aggression or a threat of attack.

A strange stand, to say the least. Let's suppose for a minute that the Soviet Union should declare before opening negotiations on settlement of some overdue international problems, let the Western powers change their policy in the sphere which we, and many others, definitely do not like. Say, let the United States first withdraw its troops from such and such country, from such and such military bases abroad. And let it terminate support to and the arming of certain dictatorial terrorist regimes.

Would anybody seriously accept such an offer? The question of negotiations? That is hardly possible. We would be called simpletons.

The experience of history, including past decades, convincingly says: success in talks between states comes only when attempts to dictate its terms to each other are discarded, when there is a real will for peace, and mutual respect for the parties' interests. It is precisely on this basis that major international agreements which helped consolidate peace and peoples' security have been achieved.

It is alleged the new Soviet proposal, for instance, is one solidifying a supposed advantage of the forces of the Warsaw Treaty member-countries. This is certainly not so. The Soviet proposal is in detail at the twenty-sixth Soviet party congress.

If one casts a glance at the nuclear potentials which both sides now have in the area of Europe, what is obvious is the approximate equilibrium of the nuclear means of both sides. The way, repeatedly admitted in the West.

The Federal German Chancellor, Schmidt, for instance, in one of his public speeches in February this year, denied that the East-West equilibrium of forces in Europe had been violated. The Chancellor, however, expressed the apprehension, that "Russians might be on the point of violating it". The United States Secretary of State, Haig, also recently spoke about "the relative equilibrium and parity".

He expressed anxiety, however, that this equilibrium might allegedly change in the Soviet Union's favour by the middle of this century. An appraisal of the present-day situation and prospects of its development, leaders of Western countries should logically have jumped at our proposal. Instead, some of them are trying to diminish its significance, certainly not because the correlation of forces in Europe changed in a few days. They are doing so, since they would like to change it in Western favour and are unwilling to bind themselves with a moratorium.

But such attempts—and this should be clearly understood—will only impel the other side to take retaliatory steps. A vicious circle will be witnessed again—the situation in Europe will become more precarious to all. It is so difficult for the governments of Western powers to understand that?

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King Husain talks tough with Mr Haig

From Christopher Walker
Amman, April 7

Any lingering hopes that King Husain of Jordan might bring closer to the dead Middle East peace process have been dashed during the visit of Mr Alexander Haig's Middle East tour.

As the American Secretary of State left Amman for Riyadh today, it became clear that talks with King Husain have been the toughest encounter on the tour so far. In euphemistic language of diplomacy, they were described by Mr Haig as "frank and the Western sense of the term".

It is understood that King urged the American Government to use its influence to prevent the continuing erosion of Jewish settlements in the occupied territories.

An unexpectedly strong argument about the talks was issued at Amman airport this afternoon by Mr Marwan al-Qasbi, Jordanian Foreign Minister, who told reporters that it had been authorized by the King and the rest of the Government.

While Mr Haig stood at side looking faintly uneasy, al-Qasbi said that during the meeting, King Husain emphasized the urgent need for a Middle East settlement on an Israeli withdrawal from all the territories occupied since 1967, including the area of East Jerusalem.

In direct contradiction remarks made by the King during his earlier stopover in Israel, Mr al-Qasbi said the Jordanian monarch has insisted that the Palestine Liberation Organization, and that the peace process should be put under the auspices of the United Nations.

It is understood American officials now it is unlikely that King Husain could be persuaded into a list of territorial negotiations over the West Bank outline, Israel's opposition to Palestinian under the catchphrase "the Jordanian option".

Diplomatic break: Saudi Arabia broke off diplomatic relations with the Soviet-backed government in Afghanistan today few hours before Mr Haig arrived in Riyadh. Reports from Bahrain, Lebanon, shelling: the ceasefire, fighting in Lebanon and shelling hit the town of Shoura, which has the headquarters of the Syrian-led peacekeeping force (UN Truce Supervision Force).

Mr Reagan recovery slows down

From Patrick Brogan
Washington, April 7

President Reagan continues to recover from a bullet wound entered in the second week of his presidency, but his recovery is slow. He suffers from intermittent slight fevers, temperature running up to 103°F on occasion, and he being given antibiotics.

The hospital spokesman said the President's condition is improving, but he is not yet out of bed. President has made a lot of progress since he was shot, but he has reached a point where things are definitely moving more slowly.

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The three men wound with the President continue to recover. Mr Timothy Wirth, the Secretary of the House, left hospital today. James Brady, the White House press spokesman, continues to make good progress.

Police fear new turn in child killings

From Our Own Correspondent
Washington, April 7

With the disappearance of a second mentally-retarded man, police in Atlanta, Georgia, fear that the recent murders of black children in the city may have taken a disturbing new turn.

The force set up to investigate the murders and disappearances announced yesterday that they had added the name of Mr Larry Rogers, a retarded man, aged 21, to their list because of similarities between his case and some of the others. The number of cases now stands at 25, with 22 deaths and three disappearances.

According to the police, Mr Rogers, who is described as slightly retarded, probably got into an estate driven by a black man with long black hair and what looked like a false moustache.

On the day that Mr Rogers disappeared, the body of another mentally-retarded adult, Mr Eddie Duncan, was pulled from a river not far from where the body of a 15-year-old child had been found the day before.

Minister's son found hanged

Rome, April 7.—M Christian Henri Bonnet, aged 29, the son of the French Interior Minister, was found hanged in the San Chiara Monastery, where he was studying for the priesthood, police said.

Police said M Bonnet had left a letter in his room which stated that no one but himself should feel responsible for his death.



Protesters against nuclear weapons at the opening of the Nato defence meeting.

Nato exhorted on US nuclear missiles

From Frederick Bonhart
Bonn, April 7

The need to maintain the programme for the installation of American medium-range nuclear missiles in Europe was the main thrust of a statement made by Mr Caspar Weinberger, the American Secretary of Defence, at the opening of Nato's nuclear planning group here today.

He said the new Administration considered the balance of forces to be shifting in favour of the Soviet Union and that they intended to try to halt and reverse this trend.

The West German Ministry of Defence, Demonstrations, screamed slogans, blew whistles and beat drums when the ministers arrived.

Although officials said there was no divergence of views about the arms control aspect of the theatre nuclear weapons programme, there were differences in nuance between the Europeans and the Americans.

Mr John Nott, the British Defence Secretary, said Soviet intervention in Poland would mean the end of détente, but that arms control would continue, even if in a different way, while American officials considered that in this event arms control negotiations "would be undermined".

However, there was agreement that the Soviet proposal for a moratorium on medium-range missiles was unacceptable, as it would freeze the alliance in a position of inferiority.

British and American officials emphasized that both parties within the alliance had had an opportunity to understand each other's problems on arms control negotiations and were able to deal with them.

De Beers denies secret gems deal with Russia

From Eric Marsden
Johannesburg, April 7

Allegations made on *Panorama*, the BBC television programme, that South Africa and the Soviet Union were collaborating clandestinely to control the world market in diamonds, gold and platinum were politely rebuffed by De Beers, the South African diamond producer, in Kimberley today.

Mr George Louw, a spokesman for De Beers, said there was no truth in the "sinister and spectacular" inferences being drawn from his visit to the Soviet Union.

Sources close to the diamond industry in Johannesburg said that the BBC reports were partly an embellishment of reports which had claimed evidence of cooperation between South Africa and strategic minerals, of which the two nations have a near monopoly.

In December, 1979, the *Sunday Times* said that uranium from the Rossing mine in Namibia was being processed by Russia into usable reactor-grade uranium. The paper added that the South African Government was not party to this arrangement, but was aware of it.

It was alleged that the Soviet Union had made a deal with the Shah's Government in 1975-76 to enrich the Russian uranium for Iran, and that it was also enriching Russian uranium for West Germany.

Mr Gordon Waddell, an

Anglo American director who was said by *Panorama* to have been seen with Soviet officials at a Moscow opera performance last November, said there was no truth in the "sinister and spectacular" inferences being drawn from his visit to the Soviet Union.

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European MPs refuse to boost their own spending

From David Wood
Strasbourg, April 7

Proposals from the managerial bureau of the European Parliament for a 10 per cent increase in parliamentary spending next year ran into strong opposition today both from the budget committee and rank and file members.

By majority decision, the budget committee rejected the proposals and insisted that spending must be held and no more staff appointed during 1981-82.

Conservatives in the European Democratic Group took a prominent part in the demand for a Gladsstone candle-ends economy for the Parliament.

Mr John Mark Taylor, Midlands East, the group's deputy leader, welcomed the defeat of the managerial bureau.

"Allowing for inflation we have achieved an actual reduction in the Parliament's budget. It is

the right sort of discipline a gives us the moral authority to tackle other spending problems. It may have doubts about it."

Senior members of the parliamentary staff react with there are now seven official languages into which speeches and documents must be translated.

The president, vice-presidents, and group leaders will form the managerial bureau also snarling from a deficit that hurts their self-esteem, and hinders their ambitions to develop the European Parliament.

In 1980 the European Parliament cost £70m, and in 1981 the cost is estimated at £120m with interpretation and translation accounting for 40 per cent of the totals.

It is not unknown for two million pages of documents to be produced during one night in seven languages.

Compromise called for to end Canada debate

From John Best
Ottawa, April 7

Proceedings in Parliament were suddenly adjourned this afternoon to permit House leaders to discuss a possible compromise formula for ending Canada's great constitutional debate.

The one-hour suspension was unanimously agreed upon after another extraordinary negotiating session on the Commons floor—the second in four days—between Mr Pierre Trudeau, the Prime Minister, Mr Clark, the Conservative Opposi-

tion leader, and Mr Ed Broadbent, leader of the New Democratic Party.

The unexpected turn of events came a day after the Liberal Government's decision to impose closure to hasten the progress of its embarked constitutional resolution through Parliament.

Whether the threat of closure is to be lifted depends on the outcome of the House leaders' meeting.

The details of the compromise discussion on the House floor will be worked out in inter-party negotiations.

هكذا من الأصل

Italian success in arresting alleged Red Brigades leader linked to division within terrorists' ranks

From Peter Nichols

Rome, April 7

The first attack by terrorists since Saturday's Milan arrests came this morning in the Rome suburb of Torre Angela, with the shooting of Signor Raffaele Ciniotti, a worker waging the isolation wing of the Rebibbia prison.

Signor Ciniotti had just left his home to go to work when several men stepped out of a waiting car, called out his name and opened fire as he looked back.

An anonymous telephone caller told the Rome newspaper *La Repubblica* that the left-wing Red Brigades terrorist movement had "executed the torturer and exploiter-guard", adding a warning that the authorities were not to touch the men arrested in Milan.

The arrest on Saturday of Signor Mario Moretti, said to be one of the top Red Brigades leaders, was a blow to the movement, which is alleged to be both an organisation and an exponent of terrorism, and he is facing 51 charges including the abduction and murder of Signor Aldo Moro, the former Christian Democratic Prime Minister.

In a brief comment this morning, Signor Nello Jotti, the Communist president of the Chamber of Deputies, told Parliament that the killing of Signor Ciniotti was a reminder that "terrorism is not yet defeated and it still exists for its plans for violence and negation of the fundamental values of life."

She called for a renewed pledge for intransigent and coherent struggle against subversion by all those who believe in democracy.

Through the terrorists have claimed a victim since the Milan arrests, the connexion between the two events is not exactly direct. In fact, the terrorists are trying to give the impression that Signor

Moretti's arrest is not of great importance to them.

Signor Moretti himself is said to have told his interrogators: "I am not what you say I am. Renato Curcio, one of the founders of the Red Brigades, who is now on trial in Milan, described the arrest as 'irrelevant'."

Signor Curcio manages to keep in touch with events even though he is being held in conditions of maximum security, a reflection in itself of the unsatisfactory state of the system. What he says can be taken to represent the policy of the terrorist movement over which he still appears to have control.

One view explaining Signor Moretti's presence in Milan was that he was trying to deal with the divisions troubling the movement in the north. A group of activists was causing trouble for the leadership through their indiscriminate shootings, which other sections of the movement, including Signor Moretti, seemingly rejected as going against strategic aims and counter-productive.

The example of a better thought-out type of action was the kidnapping last December of Signor Giovanni D'Ursi, the head of the Justice Ministry's prison department. He was released after 33 days of "interrogation" by a "people's court".

The Red Brigades have their own anniversaries. Today is the second anniversary of a sweep by the police in Padua, one of the centres of left-wing violence, which resulted in a series of arrests of people allegedly involved in terrorism, who are still awaiting trial.

Signor D'Ursi was kidnapped on the eleventh anniversary of the bomb explosion in a Milan bank which marked the beginning of organized political terrorism in Italy.

The terrorists who killed Signor Ciniotti today left a

document by the body referring to the kidnapping and the strategy for attacking the prison system. Prisons have a vital part in terrorism, thinking: they are their recruiting ground, the area for cooperation with the underworld, as well as institutions they want to reduce to zero.

What value then did the arrest of Signor Moretti have if terrorism continues as before? Signor Moretti responded in a "charismatic" life. He was on several occasions nearly captured, so his arrest ended this legend of a man constantly a move ahead of the police.

Investigations regarded him as a crucial figure in the movement. He was evidently an excellent organizer.

Under his leadership the "Rome column" was said to have moved from almost total inertia to firm action and to proselytizing activities in the south.

The day has not only brought terrorist violence, Signor Alfredo Mundo, a Christian Democratic provincial councillor, was killed near Naples.

An official of the State Telephone Company was shot dead this morning in the firm's information office in Palermo.

The police success in arresting Signor Moretti has helped to balance an increasingly gloomy picture of growing violence and a failure to treat their causes.

The Catanzaro Court of Appeal had just quashed sentences of life imprisonment against three men earlier found guilty of being responsible for the Milan bomb explosion of December, 1969. This decision left total uncertainty about the authors of this seminal act.

The perpetrators of the terrible bomb attack at Bologna railway station last August have yet to be punished despite frequent claims by the investigators that they were convinced they had the criminals under arrest.

Tang dynasty mosque saved by faithful from Red Guards' attack China's Muslims benefit from liberalization

From David Bonavia

Nian

In a compact district of Nian, a large city in north-western China, live some 30,000 people of whom 90 per cent have the same surname.

The surname Ma comes from the adoption of the Arabic name Muhammad by Chinese Muslims. Imam Ma Liangji, alias Muhammad Yusun, the leader of Nian's Muslim community, said.

Through mostly looking like Chinese, and speaking a dialect of Chinese, the Muslims of the north-west have clearly absorbed some of the genes of Central Asian nomads converted to Islam centuries ago.

The mosque—built almost entirely in Chinese architectural style—preserves a stone plaque of the Tang dynasty (seventh to tenth century AD) telling of its foundation. Nian became a centre of Islam because of its position at the eastern end of the silk road to west Asia and Europe.

The mosque is well maintained and in process of restoration. Funds to support it traditionally came from the tenants of houses it owned in the city. Now the local housing bureau collects the rents and makes a grant out of them to the mosque.

The imam said that several hundred people came to pray at 5.30 am each day, and smaller numbers at later prayer sessions during the day and in the evening. The faithful observe Ramadan and Islamic dietary rules.

During the Cultural Revolution on the Red Guards tried to storm and vandalize the mosque, despite its being classified as a historic relic, but the tightly-knit Muslim community living around it resisted, and little damage was done.

The imam said he had to work on a farm for about a year between 1966 and 1967, then returned and resumed prayers at the mosque. He has several young pupils who may become imams themselves.

Last year, after the Chinese Government's sudden liberalization of its policy on religion, he was able to make the pilgrimage to Mecca and become a *Haji*. Only 15 other Chinese Muslims accompanied him, and

it is unlikely that others will ever have the chance to make the pilgrimage except in small numbers.

The mosque's minaret is a small three-storey pavilion in Chinese style. "The people around here call it the 'tower' and use it to pray from there," the imam said, "so I just stand in the courtyard and call them."

Most of China's Muslims are concentrated in Xinjiang, formerly eastern Turkestan, and belong to such ethnic groups as Uighurs, Kazakhs and Uzbeks. The Muslims of Nian and other parts of northern China are known as *Hui*, and their dietary needs are catered for by numerous restaurants and butcheries in Peking and other cities.

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Most of China's Muslims are concentrated in Xinjiang, formerly eastern Turkestan, and belong to such ethnic groups as Uighurs, Kazakhs and Uzbeks. The Muslims of Nian and other parts of northern China are known as *Hui*, and their dietary needs are catered for by numerous restaurants and butcheries in Peking and other cities.

During the Cultural Revolution on the Red Guards tried to storm and vandalize the mosque, despite its being classified as a historic relic, but the tightly-knit Muslim community living around it resisted, and little damage was done.

The imam said he had to work on a farm for about a year between 1966 and 1967, then returned and resumed prayers at the mosque. He has several young pupils who may become imams themselves.

Last year, after the Chinese Government's sudden liberalization of its policy on religion, he was able to make the pilgrimage to Mecca and become a *Haji*. Only 15 other Chinese Muslims accompanied him, and

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20,000 are listed as the elite of France

From Charles Hargrove

Paris, April 7

If the latest edition of *Who's Who in France* is to be trusted, the country's elite is a relatively small band of about 20,000, to be precise, 19,975. The title of the French version of the annual, *Annuaire de la Noblesse*, is in English and although it is much younger—it was founded just under 30 years ago—it has become almost as much of an institution. There is at least as much competition to get into it and stay in as there is in Britain.

The *Who's Who in France*, which is double the format of the British one, also differs in other respects: it appears only every other year, and those mentioned in it do not, as almost invariably in the parent work, leave it first, in the picturesque expression of its editor in chief, M. Jacques Le Bodo.

In France one can cease to be famous or notorious during one's lifetime. And the publication of a new volume is rather like the search for the new stars or the missing ones in the new edition of celebrated guides to hotels and restaurants.

The cartoonist Pien illustrated the dilemma in a recent drawing for *Le Figaro* which shows a man running anxiously through the new edition, watched by his wife, and saying: "Who's who, or not who's who, that is the question."

This year 2,338 people have thus dropped out—which is more than the average 1,500 proscribed in previous editions—627 of them through death, and 1,711 because they have been judged to be unworthy of the elite, either through retirement or through unemployment. On the other hand there are 1,303 newcomers.

Many have tried to get in and failed. M. Le Bodo insists that the 24 selection committees are the emblems of the position or of the responsibilities exercised in French society; or, notably—otherwise Coluche, the comedian and candidate for the presidency, would not be in it.

Automatically mentioned are: members of Parliament, of the five Academies of the Institut de France, prefects and regional treasurers, ambassadors, and holders of the Grand Cross of the Legion of Honour.

In the 1981-82 edition, there are 133 senior officials, 92 diplomats, 299 chairmen and members of boards of companies, 139 businessmen and businessmen, 11 doctors, 45 journalists, 23 actors, singers or musicians, as well as one butcher, one veterinary surgeon and three farmers.

The elect are asked to fill in a questionnaire giving the facts of their career from birth, education, marriage, and promotions, as well as their works, titles, and decorations. But not their hobbies or the names of their clubs. The few (about 2 per cent) who try to cheat on their age, their titles or decorations, are almost invariably found out. The *Who's Who in France*, M. Le Bodo insists, has experts unobtainable in tracking down false titles of nobility, or false decorations.

M. Le Bodo calls his *Who's Who* a portrait of a slice of France—not a portrait of France. Given its unashamedly partiality, it seems seriously lacking in only one particular—the small number of women who appear in it.

There are only 660 women, or 3 per cent of the total, though enough any misogynist prejudice. In fact, the selection committees were encouraged by Mme Thérèse Laffitte, the founder of the work, to broaden their recruitment of women. In fact, they could not do better.

French society, M. Le Bodo claims, is like that. Only 1 per cent of the people in active life are women in positions of responsibility or eminence, and if actresses and musicians are added, up to 3 per cent is painstakingly reached.

Kangaroo havoc

Sydney, April 7.—Kangaroos have left a trail of ruined lawns and damaged cars in the mining town of Cobarr. Hundreds of them had moved into the town during the recent drought, in a desperate search for food.

Iran closes liberal newspaper

Tehran, April 7.—Iran's

Prosecutor-General ordered the liberal daily newspaper *Mizan* (Scales of Justice) to cease publication today, silencing one of the country's two main non-government voices.

The closure came after the arrest yesterday of Mr Reza Sadr, the paper's managing editor and a former Commerce Minister. He is accused of slandering, libel, disturbing national security and printing false reports through his editorials in *Mizan*.

President Bani-Sadr, apparently commenting on the *Mizan* closure, spoke today of great and serious dangers threatening Iranian society.

"We must defend freedom at any price, and especially freedom of the press. So, if a newspaper insults me, I do not want it prosecuted, because I know, and past experience makes it clear, that tyranny over the press is the beginning of complete tyranny."

Some 20 minor publications have been closed in recent months—Reuters.

Rebels claim to have killed 200 Ugandan troops

From Charles Harrison

Nairobi, April 7

A Ugandan guerrilla group today claimed to have killed 200 government troops in an attack on a military post at Sakiri, 18 miles north-west of Kampala. It is believed to be the biggest clash between guerrillas and the Uganda Army.

A spokesman of the People's Revolutionary Army, which is led by Mr Yoweri Museveni, former Ugandan minister, said the attack was carried out successfully.

No figures for guerrilla casualties were announced. The rebel group has been active in this area for the past two weeks.

M Giscard regains his fighting form

From Charles Hargrove

Paris, April 7

Tonight at midnight is the deadline for the tabling of candidatures at the Conseil d'Etat in the presidential election supported by 500 signatures of members of Parliament, mayors, and general councillors drawn from 30 different departments, which are needed to make them valid.

Out of some 65 would-be candidates, only 10, or two less than in 1974, are likely to get over this hurdle, which was raised from 100 signatures to discourage "fancy" candidatures.

One of the victims of the condition is Michel Colucci, or Coluche, the clown, who announced in Strasbourg today that he had failed to obtain 500 signatures.

The names of the candidates will be announced on Thursday, and the official campaign—unofficially, it has been in progress for months, if not years—will begin the next day. There has been a great deal in the French press in the past few days about the weariness of the ordinary voter with this interminable election campaign.

But neither President Giscard d'Estaing nor M. Jacques Chirac nor did they there is any decline in interest.

Two factors have emerged from this rather dull campaign so far. The first is the emergence of what is called here a "Chirac phenomenon".

M Chirac has sought to give a new more responsible and

also more liberal image of himself. He has abandoned an appeal to arms for an appeal to reason and reflexion.

He has made a distinct impact among the farmers, the small shopkeepers and businessmen, discontented with the performance of M Giscard d'Estaing and M Raymond Barre, the Prime Minister.

His progress in opinion polls has been slow—but one point a week—but steady.

Correspondingly, M Giscard d'Estaing did not get off to the flying start that his experts expected once he entered the campaign actively while his competitors were supposed to be trying to find their second wind.

He draped himself in outraged presidential dignity when attacked on his foreign policy, for instance: campaigned about issues rather than persons; and, with an eye on the second ballot, concentrated on the arguments of the left, rather than on those of M Chirac.

The initial errors have been the seasoned politicians of the Giscardian UDF like M Michel Poniatowski or M Jean Lecanuet from an active role in the campaign was also a mistake.

The initial errors have been corrected. The campaign headquarters has been shaken up. M Lecanuet proved effective on television last night, and M Poniatowski is about to weigh in, which his critics said he would not do.

M Giscard d'Estaing has imposed a more vigorous rhythm on his campaign. He has abandoned his rather Olympian detachment and descended into the arena, gone over to a vigorous and energetic style, demonstrated an effective pugnaciousness in denouncing the "few tired slogans" of M Mitterrand, without ever naming him, however, and insisting that a left-wing victory would "ruin" the country.

Yesterday, he referred the war into a Communist stronghold, the suburb of Montreuil.

M Giscard d'Estaing was back in his old form of 1974.

US space launch may be delayed

From Michael Leapman

New York, April 7

Snags continued to crop up today in the countdown to the launch of the space shuttle Columbia, but officials were still bravely asserting that the reusable craft can be fired into space on Friday morning as scheduled. By mid-morning, the countdown had slipped by 10 hours—using up a third of the built-in cushion of hold time.

Only if new problems emerge to use up the remaining 20 hours of hold time will the launch have to be postponed, officials say. However, working in what were originally supposed to be rest periods is placing strain on technicians which might make them less able to deal rapidly with subsequent difficulties.

The new delay occurred last night when gas contaminants

were found in pipes leading to the fuel cells. These have to be cleaned to ensure that only pure oxygen reaches the cells.

Even if the countdown is completed on schedule, there are real doubts about the prospects for a Friday morning launching. These centre on the weather, especially the wind.

There are cross winds stronger than 10 mph, as there were at Cape Canaveral yesterday and which occur there quite often, technicians will be reluctant to give the go-ahead for the flight.

An official at the centre yesterday said he thought that there was only one chance in eight for ideal weather conditions to prevail on Friday.

The Friday lift-off is timed for 6.50 am Eastern Standard Time (12.50 pm British Summer Time). It can be delayed up to six hours because of the weather, but if after that the space shuttle still could not take off, the launch would be postponed for at least two days.

If the decision to delay takes effect, the shuttle will be off on Saturday after the astronauts had entered the cabin, further constraints would apply.

Undoubtedly one of the main reasons for the confidence in the farming community is the presence of Mr Norman as Minister of Agriculture, the only white face in Mr Mugabe's Cabinet.

A former English farmer who still retains a slight Oxfordshire accent, he has been getting the Government to take the politically unpalatable decision of raising the maize price, and is now attempting to do the same with other commodities such as wheat and beef.

The increase in the maize price (and good rains) has led to a doubling of maize production this year. This has meant that not only has Zimbabwe avoided having to import maize from South Africa, but it will have more than a million surplus tons to sell to its northern neighbours.

Next: *Melsetter village*

How Zimbabwe's white farmers came to support 'Good old Bob'

Centenary, Zimbabwe

One of the many paradoxes about post-independence Zimbabwe is that the country's 5,000 white commercial farmers, the group which more than any other was banished for supporting Mr Ian Smith and his attempts to retain power in white hands, are now among the most enthusiastic supporters of Mr Robert Mugabe, the Prime Minister.

"Anyone but Mugabe" used to be the slogan which was banished around during the pre-independence campaign. Now many farmers talk about "Good old Bob".

Mr Tom Stanning, a farmer near Centenary, about 100 miles north of Salisbury, said: "I have to admit that at one time we were depressed and frightened when we heard the election result and some planned to leave the country; but we have been proved to be victims of our own propaganda. We must give Mugabe his due: he has proved to be a very capable leader."

Initial fears that the new Zimbabwe Government would take over commercial farms and introduce cooperatives were quickly dispelled by Mr Mugabe's reassuringly conciliatory broadcasts and his appointment of Mr Denis Norman, former president of the Com-

mercial Farmers Union, as Minister of Agriculture.

Farmers also quickly appreciated the advantages of the peace which descended on the country after the ceasefire came into effect last year. They were no longer shot at or mined nor did they have to be away from their farms for three months of the year because of military call-ups.

But probably the main reason for the rapid restoration of confidence has been this year's abundant rains and bumper harvests—together with a sharp rise in the producer price of maize.

"The Prime Minister has reassured us on numerous occasions that he wants to retain a productive commercial farming sector," Mr Stanning said. "So long as you are farming properly I don't think there is any danger that the Government will come along and take over your land."

Mr Stanning is a good farmer, the sort that Mr Mugabe wants to encourage to stay in Zimbabwe. He owns more than 2,000 acres of what is said to be the best tobacco-growing land in the world.

However, like many other Rhodesian farmers after UDI, he has diversified from tobacco and is now producing maize and cotton and is introducing coffee.

He makes a good living from

This is the third article by Nicholas Ashford in a series to mark the first anniversary of Zimbabwe's independence on April 18. Here he discusses the attitudes of white farmers to the new leadership.

his farm. He has a fine house, driven a Mercedes and has a private aircraft. Other farmers in the area are also prosperous because the land is good and they are efficient. It was because they were making a good living that none of them decided to leave when the guerrilla war started and they were still determined to stay.

Some of them, like Mr Stanning, have started investing in new projects since the fighting ended. He has built a new dam of water, at a cost of about £100,000, which will enable him to go ahead with his plans to produce coffee.

"Mugabe has shown confidence in us, so it is now up to us to go on to stay, then we might as well get on with the job and do it properly."

Mr Jim Sinclair, president of the Commercial Farmers Union, whose 4,500 members produce 90 per cent of the agricultural produce which is traded in Zimbabwe, said the renewed confidence of the farming com-

munity was tinged with apprehension. Some of their fears were those experienced by farmers everywhere and involved prices, fuel costs, availability of fertilizers, transport problems and a chronic shortage of spare parts.

But they were also concerned about standards of health and education for their children, and security. A number of white farmers have been murdered since independence, five of them during the course of one week last month. Although Mr Sinclair said he was generally satisfied with the Government's attempts to maintain law and order he was still worried by the continuing incidents of violence.

EEC textiles crisis: stability needed by ten year agreement

could not be undervalued. Their own interests are at stake in the thing to do was to improve the Community's understanding with the United States.

"I have continued the dialogue with the United States should be induced in these negotiations to accept a more realistic approach to cost imports, thus easing the pressure on Community markets."

The measures proposed in the report depended on the ability of the United States to accept that the Community has a fairer share of the burden. The bilateral partnership had achieved a significant share of Community market share of eight per cent. I wanted to ask them to exercise some restraint in their own interests.

"I will believe (he said) in the open trade system. We are all committed to the restoration of growth, but if certain countries are determined to agree to a distorted system that goes for themselves, if they are determined to swamp our markets and put our people out of work, we have no choice but to say we will no longer be in a position to defend the open trade system."

I say to those representatives of the Community, Argentina, Brazil, and other newly-developed and industrial countries building up massive textile capacity, in your own interests do not go on building up up protectionist barriers which will slow down the recovery of world trade. That will neither be in your interests nor the interests of the world.

The EEC's bilateral partnership

economic, social and regional reasons to preserve important major textile activities in the Community. The Commission wanted a policy of adjustment which would

try. The size of the industry must be decided and then maintained. The Japanese textile industry must be more aggressive about promoting textiles produced in the EEC. The EEC's share of the market in the textile industry must be maintained constant for the last five years, and that was not in line with the increasing demand for textiles in the United States.

One of three textile garments sold in the EEC was made outside while in the United States that figure was one in five, and it was Japan's goal to reach 10 percent. The Japanese approach (he said) must be to secure a framework in which our textile industry can be allowed to survive, and then to reorganize it. The EEC must be determined only by the state of our Community market.

Unless action was taken now, there would be no British textile industry by the time the next multilateral arrangement was signed. He said that the EEC had said that the Commission's proposal had resulted in more unemployment in the textile sector.

Mr. John Gorman (Economic Committee) said that the EEC (continued) to create a Europe which produces unemployment. We have to find remedies.

Mr. John Gorman (Economic Committee, ED) said that Parliament could not, and would not, allow its great textile industry to be harassed by difficulties as to its future.

The Commission must be asked to ensure that the conditions were met for the textile industry. The industry to further reorganize it, self and improve its competitive position.

There should be no easing of import quotas. The ultimate aim of trading policy was to achieve a free market in textiles. The progressive reduction of world tariff barriers and the encouragement of free trade.

It would be wrong and hypocritical to demand developed countries and also to refuse to buy their products.

M. Georges Frischmann (France, Comm) said that in France in 1960, 100,000 people were employed in this sector. The prospects for the future were bleak because of the competition from the United States between 100,000 and 250,000 jobs.

The report was agreed to.

Moves to end evasion of

ships

The debate was held on a report from the committee on agriculture which approved the proposal of the Commission to repeal a regulation which would in effect end abuses resulting from the sale of agricultural products on board ships.

Mr. Ekse Wolter (Netherlands, Soc.) the Rapporteur, said that the abuses concerned 6,000 tonnes of butter, 1,600 tonnes of cheese and 1,000 tonnes of meat for which the Community had paid millions of pounds through refunds.

The report was agreed to.

The report by the Legal Affairs Committee recommending that Parliament should not waive the immunity from prosecution in Italy of the Community's Ambassador (Italy, Comm.) was adopted unanimously.

The report was debated yesterday. (Monday.)

abnormality

In this study the absence of a single, well defined abnormality among infants whose mothers used spermicides makes a causal connection between the use of spermicides and the incidence of factors were unable to determine in retrospect which the women concerned had used spermicides.

Women who chose that method of contraception may have shared some other characteristic. With so many questions unanswered, the authors conclude that the results should be considered tentative until confirmed by other data.

Women using barrier methods should not, therefore, be too alarmed at the findings. The chance of unintended pregnancy is low when a barrier method is combined with a spermicide; in the event of such a pregnancy the risk of a fetal abnormality would be small; and extra tests could be arranged for the early detection of Down's syndrome and some other defects.

Source: *Journal of the American Medical Association* (April 3, 1961, p. 1328).

Student loans.

A statement will be made shortly on the question of a student loans scheme to replace the existing stu-

pounds through refunds.

The report was agreed to.

The report by the Legal Affairs Committee recommending that Parliament should not waive the joint liability from prosecution in favor of Signor Anselmo Gouthier (Italy, Comm) was adopted unanimously.

The report was debated yesterday (Monday.)

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Source: *Journal of the American Medical Association* (April 3, 1961, 1328)

Science report
Contraception: Congenital abnormality

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Women using barrier methods should not, therefore, be too alarmed at the findings. The risk of a foetus with Down's is low when a barrier method is combined with a spermicide; in the event of such a pregnancy the risk of a fetal abnormality would be small; and more tests could be arranged for the early detection of Down's syndrome and some other defects.

Source: *Journal of the American Medical Association* (April 3, 1961, p. 1328)

Dynamic new racing partnership with a string of potential champions

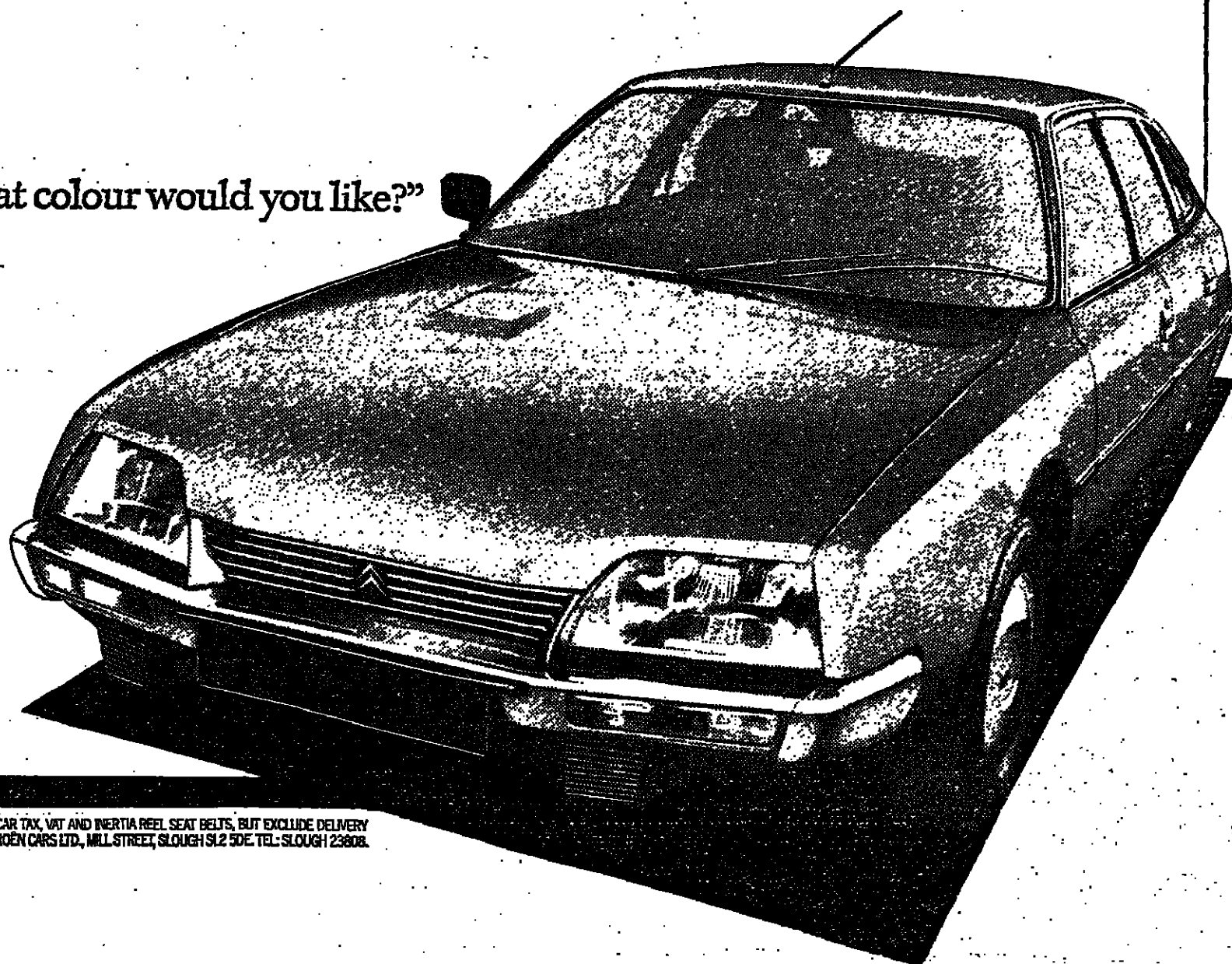
Light Cavalry swings into action

Paul Eddery	5	W
A. Higgins	1	2
J. Field	1	2
J. Farrington	1	2
Sid Bottom	8	11
J. Field	1	11
G. Young	16	16
J. Lucas	1	16
C. Chisholm	1	16
J. Allen	2	2
J. Love	2	2
M. Birch	2	2
5-1 Golden Reef.		

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The acceptable new face of National Service

Sir Hugh Fraser puts the case for taking youngsters out of the dole queues and into jobs for the nation



The old idea of National Service: a smart salute from new recruits



...and Bevin boys preparing to go down the mines

If a snap vote were held today there is little doubt that a restoration of National Service would win a popular majority. Gallup polls have shown 63 per cent in favour of purely military service. Random surveys of schoolmasters and even classes of 16-year-olds show acceptance in principle rather than violent opposition. The London School of Economics has published a complex study in its favour.

But to the political, military and TUC establishments National Service is still anathema. Who is right, the people or its leaders? Could National Service be made purposeful or is this mere nostalgia for the happier days of the 1960s and for memories of greater national discipline? Considering the decline suffered in our national affairs since 1963 under our political and trade union leaderships, populism must have its attractions.

The strongest case for National Service is not just military, though we are the only major European country without any home defence in depth, nor as a cure for unemployment, which by itself it clearly is not, but as an engine and force so far unused for national recovery. To watch the waste and absurdities of some youth opportunity schemes, to study the figures of chronic unemployment, lack of training and the dreary annuals of vandalism and petty crime and to appreciate some of youth's boredom drives home the urgent need for a new personal sense of purpose, honour and national involvement.

Needs have changed since 1963. First, within a military framework, the objectives would be largely civil. Second, conscripts would be encouraged to produce their own immediate leaders and given a choice in their civilian tasks

and training. And the gap between school and service should be as short as possible with first entry at 17.

Compulsion could remove the stigma of being unwanted, and useless, which is too often the hallmark of present government voluntary schemes. Within a framework of discipline, elements of self-government and the huge nature of the task could produce a real sense of involvement. That task is little less than revolutionary — the reversal of the historic process. Even rejecting the more wildly pessimistic forecasts, in the 1980s we shall be faced by a slow and uncertain recovery and an accelerating decay of the national infrastructure of housing, sewers, canals, railways and industrial sites, with costs of unemployment to taxpayers reaching astronomical proportions and inhibiting capital investment. Under the shadow of a high base of unemployment caused by structural and technical change, many of those

leaving school will face problems of inadequate skills, insecure jobs, the loss of the automatic acquisition of the habit of work and an environment in decline.

To break out of this downward spiral of obscurity and stagnation must be the first object of a new system of National Service. The cost of rehabilitating housing, sewers, railways and industrial dereliction would run to thousands of millions of pounds and the going rates for unskilled labour are unlikely ever to be swiftly or effectively undertaken by any government elected by taxpayers.

Brewster, the former United States Ambassador to Britain and eminent liberal educationist, wrote in 1978:

"Under-compensated, publicly useful service for all men and women before they enter their lifetime careers might go a long way to break the unacceptable fixation which tells us that we cannot afford to rehabilitate our slums, clean up our cities, or take care of our open spaces and countryside."

Indeed the contribution of the trade unions would be crucial and their experience vital both for training and in the organization of labour. Furthermore, with National Service, the present confusion over labour exploitation in current youth employment arrangements would diminish.

The largest challenge would be neither to youth nor to unions but to elected government: for them a return to conscription would imply an act of enormous courage. Last February, even a modest parliamentary proposal for registration for conscription caused audible tremors. Today, perhaps more open debate would cause less oscillation on the Richter scale. But popularly acceptable or not, any government must be assured of two matters—cost and practicability.

Cooperation between the Home, Defence, Employment and Education departments could establish an efficient central structure of control and

lead to simplified procedures: it would also ensure some saving in better and fuller use of resources, including accommodation in universities and polytechnics. Space might be found in the Open University programmes and also in limited use of Territorial Army premises.

The larger costings of pay, transport, administration, accommodation, feeding, clothing and instruction—and there is no point in pretending that such a scheme could be cheap—must be put in the context of the vast and entirely unproductive cost of unemployment, and this ignores the positive benefits of such a scheme: the projects which cannot be tackled by cheap labour, the services which cannot be provided, to say nothing of the educational and vocational benefits to the individual.

In a democracy, the final step in practicability is consent. Given the problems of youth in the 1980s, what are the alterna-

tives—Powell-like repatriation, Giscardian restrictions on foreign workers, mass emigration, early retirements? A vast and expensive or unacceptable and hardly touch the problem.

But not only principles are involved. There must be a assessment of tasks and assets and a meticulous investigation of phased implementation, exemptions, length of service, personal insurance and registration. Indeed there must be a national plan. The targets are clear and the need for the fulfilment should be not mere mother invention, but brain forth action. Today perhaps National Service is the best instrument to achieve a home defence organization and to build our physical infrastructure. It would also create a workforce adapted and trained to meet and win the challenge of the 1980s.

The author is Conservative MP for Stafford and Stone.

Bernard Levin How the right to work can make slaves of us all

By Sir
Bernard
Levin
Chairman
of the
Inland
Revenue
and
former
Minister
for
Industry

Yesterday, I discussed the modern cant argument that a man without a job is not free, and the way in which this particular bit of doublethink has advanced step by step—via an adequate standard of living, a house, enough money to travel and the like—to the point it has now reached where it is argued that nobody may have anything unless everybody can have it, and that it is better that all should be absolutely poor than that some should be relatively rich.

This philosophy has spread through this country (but as far as I can see no other) like an invasion of locusts, stripping bare the trees of sense and freedom; in time it will turn our entire society into a desert. If it is not stopped, the road I took to its discussion started with my readers' reaction to what I wrote about a letter from an unemployed graduate who implied that he would consider exchanging his freedom for becoming a citizen of the Soviet Empire (of which, it was clear, he was no ideological admirer). If by so doing he could get a job, my road, however forked, I discussed yesterday what lay along one of the two branches, in challenging the dishonesty which equates poverty, or even relative poverty, with servitude. Today I want to explore the other path, along which there lies the claim, repeated again and again in readers' letters, that everyone in our society has a right to a job, and—even more significant—that the state has a duty to provide jobs for us all. (I leave out of account the unconscious assumption that the state has the ability to do this.)

I am well aware that to discuss this question at all, because discussion implies that there are two sides to it, is to be thought quaint, paradoxical or downright mad on the one hand, and to be an advocate of riches, if not infanticide, together with transportation and the knout, on the other. Millions of people have been rendered literally incapable of taking in, even as a purely theoretical exercise, the thought that no such right exists, and that even if it did it would certainly not be part of the government's obligations to attempt to guarantee it. Yet that is what I believe, and must now argue. In the first place, the belief in the "right to work" is very recent indeed: that is not in itself a condemnation of it, of course, but it is surely significant that it is almost exactly

the same age as the gigantic extension of state control of and interference with the lives of the citizens of democratic states that followed the Second World War. (It is implied, though not directly stated, in Roosevelt's "Four Freedoms" speech of 1941.) And there is also significance—much more, indeed—in the fact that none of its advocates has even explained exactly what is meant by it.

What could they? The moment it is examined it can be seen to be gibberish. Let us examine it first from, so to speak, the front end. What is the job I have a right to? My present one? A better one? A series of better ones, providing a ladder which I may ascend throughout my working life? Or is it any job in journalism, that being the trade I am (let us say for the sake of argument) skilled in?

If we have a right to a job, does that mean a right to choose the job we have a right to? (Because if we don't, the basic right must be pretty hollow.) May I lay claim to your job, for instance, and if not why not? Or may I have the job of the head of Marks and Spencer? And if it is argued that I cannot take any existing job filled by another person, may I choose in what field a job (this is the only logical alternative) is to be specially created for me (if I was to be a brain-surgeon, please mum.)

Well, nobody in his senses could defend any of that, though you would be surprised at how many advocates of the existence of this particular Loch Ness Monster argue it in terms which necessarily imply that they do. Yet if they stopped for a moment and

thought about it, its chimerical nature would immediately become apparent, which is why none of the advocates ever does stop to think about it. For if the state is to create jobs, it must surely create jobs at work for the producers of which there is a demand, unless it really is true, as the Leader of the Opposition, among others, believes, that it is possible for our society to live entirely by taking in its own washing and paying the bill in fairy gold.

It is primarily the belief in a right to work that has produced the present condition of Britain's steel, motor-car and shipbuilding industries, and every time that terrible truth is demonstrated it is met only by further clamour for further open-ended guarantees of the imaginary right to a job which has led to actual loss of jobs for hundreds of thousands. But the situation is even worse than that, for to guarantee for everyone a right to a job, fairy gold it will ultimately be necessary to institute direction of labour; that, indeed, is what some of our more audacious right-to-workers would like to see, though none, I think, has yet been bold enough to say so.

It is indeed possible to envisage a state in which the people are streamed at school according to the labour that has already been chosen for them, go on to university (or even to the armed forces) from the same principles, receive instructions to proceed to such an area of the country and there work at such a trade, receive subsequent orders to change both place and work, and so on to the end of their working lives. And you can call that the "right to work" if you like. But a better name is "slavery", and even in economic terms all it produces is

poverty, as millions upon millions of Soviet citizens would testify if they were allowed to. But all that is only looking at the effects of the right-to-work argument. If we examine its philosophical basis we find it no less absurd in principle than in practice. For it is the business of the state to do no more than hold the ring for the activities of its citizens, and the economic arrangements they make within that ring are no more the business of the state than are the uses made by the citizens of their freedom of speech or assembly. It is the belief that the state, such a thing as the state, with an existence independent of the people and institutions of the country, that is the real fallacy, from which there issue such a host of grotesque and essentially inanimate objects as the belief that the state is obliged, and for that matter able, to occupy itself in guaranteeing work—and indeed practically anything else for which a plausible claim can be cooked up.

The notion that the state has an existence of its own is the basis of all modern totalitarianism, and one of the chief characteristics of totalitarianism, after all, is its contempt for the very idea of "rights". Yet the road to that hell is paved with the good intentions of those who believe in the idea to such an extent that they apply it to the right to work, and to work, moreover, whether anybody wants the products of the work or not. I have every sympathy with the young man who set this train of thought in motion for me. But he might as well reflect that if his parents' generation had not grown up believing in the right to work, he would be much more likely to be working now.

Oh, and another thing: would it be right-to-workers, starting with the Leader of the Opposition, please say plainly that the right in question includes the right to work without belonging to a particular, or any, trades union? It doesn't? Why, what a very curious right it must be; perhaps the young graduate, if he only hangs on a bit longer, will be in a position to swap his freedom for it without going anywhere near the Eastern bloc.

What, he demanded to know, were tyrannical substances? Synthetic hormones that

Can Schmidt hang on until 1984?

Patricia Clough on the tensions inside West Germany's coalition

Bonn. Herr Helmut Schmidt, the West German Chancellor, reports to the Bundestag this week on the state of the nation amid rising concern about the state of his own coalition.

Herr Schmidt's position is being undermined by troubles in his Social Democratic Party which, unlike past difficulties, seem incurable. The Free Democrats, themselves divided on several important questions, are disturbed at the increasing paralysis among their senior partners.

So far efforts to stop the rot have failed and increasingly West Germans wonder if the coalition can survive until the next election in 1984.

Ever since it was returned to power last October the coalition has been beset by a mass of tough and apparently unconnected problems. There is growing opposition to the Government's security and nuclear energy policies, strong resistance to changing restrictions on arms exports, mounting criticism of the Chancellor among the SPD's grass roots, deep resentments among the party's leaders and differences over the idea to speed up worker participation and economic issues. Herr Schmidt himself has been in poor form recently.

Herr Hans-Dietrich Genscher, the FDP leader and Foreign Minister, always the model of tact towards his partners, felt compelled last week to demand "very quickly" on all questions, particularly on the economy. The coalition must present a more unified front, he said.

The roots of the troubles lie in the deep changes over the past few years in the world situation and inside West Germany. Here, as in other western countries, the political mood has been swinging back to conservatism after nearly 12 years of SPD-FDP rule but for several reasons this has not been reflected in the Government or in Parliament.

Schmidt, exceptionally popular, respected and trusted, while the opposition Christian Democrats had the controversial Herr Franz Josef Strauss, disliked by many, and the leadership question proved more important.

So the SPD found themselves back in government with only minimal gains of their own, a relatively much stronger FDP and political situation vastly different from that which brought them to power in 1969. Gone is the euphoria, the wave of enthusiasm for

new mood spreading among younger Germans, a trend to pacifism, neutralism, mistrust of the United States, rejection of nuclear energy and nuclear missiles. Some groups aggressively call themselves Socialists, as opposed to Social Democrats; ideologically they are very much to the left of the main party.

The SPD now has a wing which is often to the left of the unions and is sometimes at odds with them, as for instance over nuclear energy. Here the unions, who are wor-

of the fundamental pillars of Herr Schmidt's defence policy. He would resign rather than give it up.

A comment by Herr Erhard Eppler, a prominent left-winger, that West Germany "is not a satellite of the United States" reflects the general feeling. It also shows how left-wingers neglect the fact that West Germany's role in the United States for its nuclear defence.

The left argues that despite Soviet superiority there are enough missiles around to deter a nuclear attack. They see no point in making more and better ones when the more could better be spent on helping developing countries.

While the Chancellor, with little effort, appears to have the support of the parliamentary party, which is a little to the right of the party in the country, there is increasing criticism at the grass roots.

Herr Willi Piecyk, leader of the young Social Democrats, said many Social Democrats "deserted" being expected automatically to support what is being done at the top. The SPD, he said, was in danger of becoming simply a "Chancellor party", there to provide support for Herr Schmidt. If this continued much longer the party would lose its identity and its democratic character.

Leading Social Democrats and Free Democrats feel that a main obstacle to solving these problems is the deep strains between the three SPD leaders: Herr Schmidt, Herr Willy Brandt, the party chairman, and Herr Herbert Wehner, the parliamentary floor leader. The three, resentful of each other's behaviour, are scarcely on speaking terms. Free Democrats warn privately that if the SPD does not pull itself together, the coalition will fall apart, but that is more easily said than done.

Although all the elements of a break-up are there, it looks for the moment as if the coalition will stumble on, held together by the extraordinary stability of the political system and the fact of being in power. "Power", one FDP leader said, "is a very strong glue, often stronger than the pieces it holds together."



Helmut Schmidt (right) with Hans-Dietrich Genscher: is the glue of power strong enough?

reforms, for the *Ospolitik* and defence.

Instead the party, whose traditional aims are the redistribution of wealth, improving services and defending the interests of the workers, is having to cope with an economic crisis which means cuts, savings and 1,200,000 unemployed.

The tougher mood in the United States, the election of President Reagan and the Soviet military build-up leave little scope for any real progress on détente or in East-West German relations for the time being.

At the same time the character of the party is also changing. What was once primarily a workers' party is now becoming also a party of young, better-educated middle-class people.

These Social Democrats are particularly sensitive to the

ried about jobs, are on the same side as big business. The new opposition movement among German youth, shapeless and heterogeneous, is non-political. In fact it rejects political parties along with the rest. But many Social Democrats believe a left-wing party ignores such movements at its peril.

The left wing, which clings particularly hard to the party's ideals of peace and disarmament, deeply mistrusts the new American administration after Mr Reagan's pre-election talk of restoring American military superiority and its apparent lack of interest in negotiating a reduction of nuclear weapons. The left-wing Baden-Württemberg branch has asked for a review of Government support for Nato's missiles policy, a call that was supported by a number of Cabinet ministers. This strikes at one

LONDON DIARY

The gospel according to the taxman

It having been decided by a judge that legal books and journals, and even little black dresses, are tax-deductible expenses for lawyers, the Rector of Preston, Lancashire, the Rev Michael Higgins, wants to know why the clergy are not covered by equivalent principles.

The question is all the more pointed as Higgins used to be a lawyer before taking the (presumably tax-deductible) cloth. He asked the Inland Revenue to allow him about £100 for necessary theological and spiritual reading on the grounds that, spiritually speaking, "You can't feed others unless you first feed yourself." He had always understood it his duty to remain abreast of theological thinking, just as lawyers have to keep up with changes in the law.

But came the reply from his Newcastle-based Inspector of Taxes, addressed appropriately from somewhere called Parsons' Estate: "The only books neces-

sary for performing the duties of a clergyman are the Bible and the Book of Common Prayer." Not even the Alternative Services Book is deemed necessary, let alone collections of sermon ideas, lives of the saints and journals like *The Modern Churchman*.

Higgins has challenged the inspector for his bad theology which in this case, I imagine, is bad tax law, too. Higgins concedes that the good books he reads for his job might also inadvertently do his private self some good. But little black dresses not only keep you in line with the rules of court decorum; they keep you warm, too.

Roll call

Advancing years seem unable to dim the energy of Lord Denning, our longest serving judge and scourge of the trade union movement. At the age of 82 the Master of the Rolls is about to publish his autobiography, which will undoubtedly advance the career of a best-selling writer which began at the age of 80 with *The Discipline of Law*.

Denning, who has never been shy about discussing his own past judgments, to the disapproval of some luminaries of the Inns of Court, is expected to provide fresh insight into some of his more noteworthy and controversial cases, such as those involving Christine Keeler and Dr Stephen Ward, the Birmingham pub bombers and the British Steel mole.

The Denning literary style is one of short sharp sentences, almost like advertising copy, as when he relates how he was one of six children of a Hampshire draper. "All five of us brothers fought in the wars. Two were lost. They were the best of us. Three survive. One to become a general. One an admiral. And me, Master of the Rolls."

It is a style that lends itself to parody; indeed one of his imaginary summings-up appeared in a publication called *Not Yet The Times* which appeared briefly while this newspaper was suffering a temporary absence from the newsstands. I am glad to say that Denning's forthcoming book includes the parody in full. Having become an established

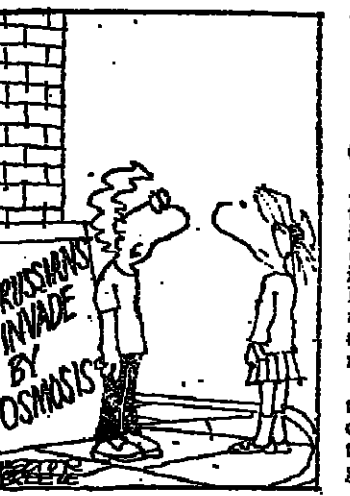
author, not to mention a television star as the presenter of last year's Dibley Lecture, what can there be left for Denning to do except burst into song?

Dry wit

I am indebted to Dr Brian Lewis, the large and ebullient Kent anaesthetist who provides most of the weight and wit behind the British Medical Association, for the discovery that inside Patrick Jenkin, the earnest and ambitious Social Services Secretary, there lurks a rare sense of humour.

Jenkin, who is chiefly remembered, if at all, for urging the dark to brush its teeth in the dark during the 1974 miners' strike—only to have his house pictured in the papers with all its lights blazing—was attending a particularly tedious meeting with drug industry representatives to discuss EEC regulations governing veterinary products when he was told that one group of drugs under scrutiny were thyrostatic substances.

What, he demanded to know, were thyrostatic substances? Synthetic hormones that



"I hope I grow up in time to save the world from Soviet domination. I want to be a botanist"

improve moisture reception in muscle, he was told, to plump up the meat that we buy.

For the first time during the soporific deliberations, Jenkin's eyes lit up. "You mean there

is actually a medical explanation for the creation of a Wet?" he asked the assembled druggists. "Our leader will pay highly for an anecdote."

Cracking pace

A number of readers have treated with scepticism a report in our news columns the other day that an outbreak of pogoging was threatening to wreck Britain's dance floors. The story appeared on April 1, causing it to be treated with considerable reserve.

I assure you it is perfectly true. Pogoging is a current dance craze which involves little more than jumping up and down at great speed.

Now the British Standards Institution, a body clearly capable of drawing up guidelines for any conceivable activity, is to examine the question of pogoging and the required strength of dance floors.

They will have to move with great speed to get their report out before the craze has passed. Although the story was true, we are bound to admit to a minor inaccuracy: we assumed

pogoging and headbanging to be the same thing, which appears not to be the case at all. Several correspondents point out that no self-respecting pogogist would headbang, and no headbanger worth his salt would be seen pogoging. Headbanging, I must tell you, is shaking the head violently while imitating the action of playing a guitar: it does not damage dance floors, only brains.

"The pogog is a punk dance while headbanging is found only among hard rock (or Heavy Metal) fans," write two knowledgeable correspondents from Reading. "As will be obvious to all men of sensitivity, these two categories are mutually exclusive." Of course; how silly of us not to know.

No minister

Andrew Gray of the University of Kent tells a jolly Civil Service tale which I enjoy even if I do not altogether believe it. A certain permanent secretary retired to a small West Country village, where he moved into an old-world cottage in the main street. After a while his neighbours

noticed that early every morning a young boy would knock on his door, exchange a few words with the retired mandarin, accept a tip, and go on his way.

After several weeks observing this practice, the curiosity of the villagers got the best of them, and they questioned the youth. "Tell us," they urged, "why do you always knock on the old man's door in the morning? And what do you say to each other? And why does he pay you?"

"Well," replied the youth, "it's a bit odd. The old man pays me ten pence every morning if I knock on his door and tell him the minister wants to see him."

"And what does he reply?" they asked.

"Tell the minister to **** off," said the youth.

A London ambulance spotted yesterday carried the bold stand-by for the next Trafalgar Square rough house, perhaps?

Alan Hamilton



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POLAND YOU HAVE BEEN WARNED

Prague's spring came early 13 years ago when Mr Dubček introduced his "socialism with a human face". Before that summer was out, however, Czech hopes were crushed under the tanks of Mr Brezhnev's tanks. It is thus particularly fitting that Mr Brezhnev should now choose to go to Prague to utter another warning to Poland: to put a house in order or face a fate similar to Czechoslovakia, Hungary and Afghanistan. That fate applies to any neighbour of the Soviet Union which has the misfortune to be socialist, and therefore to qualify as a victim of the Brezhnev doctrine, which added Soviet tanks to go in where they pleased to defend "Socialist Commonwealth" from collapsing under the force of its own contradictions. In his speech Mr Brezhnev spoke of the "rich cultural heritage of your people", when the most evident cultural tragedy of Czechoslovakia is that the whole generation of 1968, which had the vision and the will to reform socialism from within, was forced instead into exile or Mr Husak's jails.

Turning to Poland, his suavity was less obvious, though his comments menacing. He spoke of the "class enemies", using a means they could to erode socialism from the inside—as if socialism itself in the Soviet Union and eastern Europe has already given quite sufficient evidence of its own decay. He observed that Poles should be able to uphold the cause of socialism, relying as ever on external help from the Soviet Union, Czechoslovakia, and those other countries who had deemed it necessary to send

their soldiers into Prague, and are clearly ready to do the same in Poland should their Moscow commanders give the word. The question now is where does Mr Brezhnev's speech leave the Poles, after the invasion alarms of last week, the warnings from the West, the compromises in Warsaw, and the spectre of insolvency? In December the Warsaw Pact troops were brought to a state of readiness to intervene in Poland whenever they were given orders to do so. Since then the military opinion, though not exercised, has remained available at all times. The reason why Soviet leaders stood off in December remains the same today—that they would prefer the Polish Communist Party itself to restore control in Poland. However, in the face of evidence that the Poles cannot or will not do so, the higher purposes of the Brezhnev doctrine will have to be invoked, and the tanks would roll again.

Within Poland, Mr Kania has so far shown a flexibility which has kept the crisis in proportion. A dialogue is taking place between the independent trade union organization, Solidarity, and the government, from which all Poles may eventually benefit. They will benefit both in the fact that the authority of the Communist Party to impose its monopoly of power on Polish society will be lightened by the existence of an alternative institution such as Solidarity, and in the search for an economic policy which will stave off Poland's impending collapse and possibly discover some method of regeneration. That dialogue is not, however, taking place in a strategic vacuum. The mere existence of an institution such as Solidarity is anathema to the Marxist mind.

Deep in the ideology of communism there is an abhorrence of a pluralist society. Yet that is what is beginning to emerge in Poland—unless it is stifled in its infancy—in the heart of Eastern Europe, across the Soviet Union's vital lines of communication to East Germany and her strategic defences. In December Mr Kania was put on probation by his allies. He is still on probation, but his chances of pulling it off look worse now than they did in December. Poland has already created a dangerous precedent by allowing even one day to pass—let alone eight months—without striking down Solidarity's pretensions to be an alternative source of power and influence within a communist society. Each day that passes with that precedent intact can only undermine the position of communist parties in every other East European country—including the Soviet Union.

Mr Brezhnev's speech, therefore, should not be regarded with optimism in the West, simply because it has given the Poles breathing space. It can hardly give them hope, since if that breathing space is not to be used to smother Solidarity, then neither Mr Kania nor the Polish people may be allowed much more time by their allies to resolve their differences themselves. Mr Brezhnev's reference to 1968 made it clear that, though the Warsaw Pact manoeuvres in Poland ended officially yesterday, the harassment, intimidation and pressure on Poland of the past few months—as on Czechoslovakia—will undoubtedly continue until Mr Kania does what he is told, or an alternative and more obedient leadership in Poland can emerge.

PARLIAMENT AND THE LANGUAGE OF PRAYER

1974 Parliament divested itself of legislative responsibility for the doctrine and public worship of the Church of England—nost but not quite. It made permanent an earlier grant of honorary powers by which the church, through its own procedures, could authorize forms of service other than those prescribed in the Book of Common Prayer of 1662. There were two reservations. Any new rites had to fulfil the condition that they were neither contrary to, nor indicative of, departure from, the doctrine of the Church of England in any essential matter. Let Parliament, anybody else, should be given scarcely possible task of judging on what is or is not conformable to the doctrine of the Church of England, it was noted that whatever received final approval of the General Synod should be deemed to have filled that condition. The reservation was that the forms of service contained in the Book of Common Prayer would continue to be available for use in the Church of England, as has become painfully apparent.

According to the present rules incumbent and the parochial church council together make selection from the lengthened à la carte menu of authorized forms of service. Ecclesiastical democracy has some of the same limitations as trades union democracy: the shop stewards and those who attend meetings decide things with a freedom that bears little proportion to the typicality of their opinions. By a conspiracy of enthusiasts, as some think, or by default, as seems more likely, the Prayer Book is falling into desuetude. And very many members of the Church of England are very unhappy about it.

Today attempts will be made in both Houses of Parliament to get a Prayer Book Protection Bill off the launching pad. The Bill would introduce a modest amendment to the effect that 20 people on a church electoral roll may together require the incumbent to see that on at least one Sunday a month the principal morning service is taken from the Prayer Book. Its adoption would mean that part at any rate of the old liturgy was not merely available for use but available for attendance, which is what really counts.

If Parliament were to be seriously tempted to take the measure up it would undoubtedly precipitate a disestablishment crisis. The Church of England's sensitivity on the subject has been evident in the last week over the matter of the London mitre. That is only a pinprick compared to resumption by Parliament of an ambition to regulate the worship of the Church of England. But if it would be imprudent of Parliament to espouse the Bill, it would

be just as imprudent of the bishops and the synodical apparatus of the Church to brush it out of the way. There is a wide and profound unhappiness about the relegation of the historic liturgy of the Church of England. It is fed by many tributaries. For some, it seems the wanton abandonment of a priceless endowment, as if the Church were to demolish its cathedrals to take to civic centres. For some, the language of the Prayer Book is the language of prayer, expressive of doctrinal and devotional meaning precisely because it is fixed, customary, timeless, apart from everyday use, and resonant of the piety of past generations. For some, loss of the liturgy means loss of the sense of history, loss of one of the dimensions of faith. For some, particularly the elderly who were nourished by the public worship of the Church, not to be able to find the familiar and to them sacred forms is a sharp and cruel penalty.

None of this is to decry the merits, conveniences and appropriateness of the various alternative services the Church of England has evolved; or to deny that many much prefer them. But unless the Church takes more seriously the commission it received in 1974 and keeps the Book of Common Prayer in use as well as for use, it will carelessly abuse many loyal sons and daughters and deprive the next generations of acquaintance with an important common effluence of Christianity—a dignified, serious, devout and valid liturgy.

COOLING THE LEBANESE CAULDRON

It is difficult to apportion blame for the current crisis in Lebanon. Haig, reaching for conspiracy theories, suggests that the Russians have encouraged the Syrians to attack Christian areas in northern Lebanon, in order to distract world attention from Poland. The Soviet Union is certainly capable of giving a diversion of this kind. There are enough explanations for the tragedy of Lebanon to deconstruct the country itself, without trying to look elsewhere. It is to be forgotten that what wrecked off the 1975 civil war the massacre of Palestinians by a bus by right-wing Christians. On this occasion, the last days of heavy fighting are direct result of an attempt by the Christian militia to open a road just outside the town of Beirut. Although Lebanon is a Christian-dominated country, the surrounding Beqaa Valley is considered by Damascus to be of strategic importance. Exchanges of fire between Christians and Muslims exploded the present dangerous situation.

The Syrian peace-keeping role as a pretext for Damascus's real aim, the domination of Lebanon. Right wing Christians of the Phalange militia have hinted at the possibility of a separate Lebanese Christian state. If it were not for the Syrian presence, they say, the PLO would by now have been annihilated by the increasingly powerful Phalange forces.

The best way to avoid any such partition of Lebanon is to bolster the authority of the central Lebanese Government, which in the tradition of Lebanese tolerance contains Muslims, Christians, and minorities such as the Druze. The main problem is that the Lebanese Army, on which central authority ultimately rests, was shattered by the 1975 civil war, and has not yet been rebuilt to the point where it can exercise effective control.

Status of religious charities

From Mr Nicolas Walter
Sir, Mr W. G. S. Massey (April 6) calls for a change in the law of charities for the advancement of religion. The first question is not how such a law should apply to religious organizations in various ways, but why it should apply to religious organizations in any way. Why should the advancement of religion be considered a charitable object at all, in a pluralist society where religion is itself a controversial issue, when the advancement of other equally reputable systems of belief is not? Why shouldn't the advancement of humanism, secularism and rationalism as practised by the British Humanist Association, the National Secular Society, and the Rationalist Press Association have legal and financial privileges on the same level as the advancement of any form of religion?

Yours, etc,
NICOLAS WALTER,
Editor, Humanist,
88 Islington High Street, N.1,
April 6.

Counting the cost of monetarism

From Professor Harry Townsend
Sir, I do not mind Professor Hayek (April 4) consigning me to a lost generation of Keynesians, but he should not escape responsibility for who lost me: I, along with a number of other signatories among the 384, was, at a happy time, among his students.

What I do object to is his writing from Freiburg in support of a policy which assumes that unemployment will rise in Northern Ireland from 17 per cent to 20 per cent by the end of the year. It has been thought what it is like flying to Northern Ireland? Being frisked before leaving, having the plane searched halfway on the Isle of Man, being greeted by soldiers with guns at the ready, finding shopping streets lined with oil drums to prevent anyone parking a bomb-carrier, having the centre of the capital city wired off to keep out terrorists? Such conditions arise a visitor's eyes are just a few of the inconveniences of life in this part of the United Kingdom. Such conditions are not caused by economic circumstances, but increasing unemployment does not contribute to their resolution.

Moving to the mainland, has he thought about new towns like Kirby that have experienced unemployment over 20 per cent, where flats built only 20 years ago have been gutted by vandals? Writing from Lancashire, I cannot help thinking what the current policy means for people in the inner cities of Liverpool and Manchester, in Lancaster, Preston, Blackburn, Bolton and so on.

It is not difficult to see that a deep enough slump will wipe out inflation along with much else; but what after that? We shall still have 20 per cent of the population employed by central government, local government and the nationalised industries, all with monopoly power in some sectors and competitive vulnerability in others. We shall still need to find a better way of agreeing incomes than any we have achieved so far.

Yours faithfully,
HARRY TOWNSEND,
University of Lancaster (Department of Economics),
Gillow House, Lancaster.

Broadcast news 'bias'
From Mr Peter Dodson and others
Sir, May we comment on a report in *The Times* (April 6) on a letter sent to the broadcasting authorities by MPs and trade unionists about the bias of the news on the radio?

As the elected representatives of 3,000 journalists in broadcasting we were asked by the Glasgow Media Group to sign the letter. We refused for several reasons.

1. We felt that although the Glasgow Media Group had raised valid and interesting points, they had recently started to assume the attitudes and values of a political pressure group, and one at that which directed criticisms against our standards.

CAP help for farms on basis of need

From Mr T. B. Mills
Sir, A discharge of rotten eggs and other organic matter that landed on the windows of the EEC in Brussels recently (report, April 1) may well have made its mark, but it did little to clarify the issues involved. The cost to the consumer has been discussed at length, and the adequacy (or otherwise) of the award from the farmers' fund is being debated. However, an across-the-board increase in support prices, which has been an annual necessity to the common agricultural policy ever since inflation reared its head, has always had a nasty side effect which is seldom mentioned. It makes rich farmers richer, and poor farmers poorer.

A large farm on good land and close to the market is good security. It can easily borrow capital. It can develop the high-technology procedures that can dramatically increase output, thus taking full advantage of any increase in product price that may have been awarded. A marginal farm on poorer land is not nearly so well placed to do this.

The CAP (in its present form) encourages large farms to get larger and, by the use of ever more sophisticated technology, to create a greater surplus of commodities. At the same time, of course, the capital-intensive systems installed create more rural unemployment.

Many regions of Europe and the United Kingdom depend upon the presence of large numbers of self-employed, family-size farmers, together with the tradespeople that serve them. If the rural economy is to survive, as it stands the CAP is creating rural vacuums and overlooking the urban employment exchanges at one and the same time.

All that is needed, surely, is a more selective form of support. When there is a surplus, the important factors to consider are the circumstances of the farms, not the collective surplus of the industry. A policy of graded farms, supported according to need, might not cure the problem of over production and rural depopulation "at a stroke", but it would go a long way towards it.

Yours faithfully,
T. B. MILLS,
T. B. Mills (Farmers) Ltd,
Widmore Farm,
Godmanstone,
Dorchester,
Dorset,
April 4.

Principals in perspective

From Lord Greenhill of Harrow
Sir, Peter Hennessy's piece in *The Times* today (April 6) is headed "Leading principal to a top civil servant". I hastened to read what was the permanent secretary who had fallen under suspicion. I found the suspect was a principal, later described as "naïve in these matters".

Where is the "top"? The unfortunate suspect is one of about 4,000 fellow principals, above him are 1,150 assistant secretaries, 606 secretaries and about 40 permanent secretaries. Does the headline show *The Times* to be ignorant, prejudiced, or just naïve?

Yours faithfully,
GREENHILL OF HARROW,
House of Lords,
April 6.

Security risks

From Mr Chapman Pincher
Sir, Brigadier Blomfield-Smith's suggestion (April 4) that I am a KGB agent raises possibilities for more dramatic disclosures in my book, *True Trade*. The KGB's only direct attempt to recruit me failed, as MJ5 knows because, with my assistance, it monitored it. But I could conceivably have been unwittingly recruited as a "willie". This is the jargon for a person, often a newspaperman, who is used by real agents to pass on secret information and perform other subversive services without knowing it.

If I have been a willie for the past 35 years then it must have been the sources of the information I have revealed who were knowingly serving the KGB and must be resolutely rooted out and exposed. These include a score of Cabinet ministers, including Prime Ministers, Foreign Secretaries, Home Secretaries and Secretaries of State for Defence. There is a large clutch of senior civil servants, including permanent secretaries, chief scientists and heads of defence establishments, including those of the Atomic Energy Authority.

Among Service chiefs I must confess to at least three Chiefs of the Defence Staff, three Admirals of the Fleet, Marshals of the Royal Air Force and Chiefs of the General Staff. I cannot omit sundry ambassadors and various senior intelligence officers, from directors downwards. Nor should I forget captains of industry involved in defence contracts. Yes, damn them, they have been using me too!

Good grief! What has the brigadier started?

Yours faithfully,
CHAPMAN PINCHER,
Church House,
Kingsway,
Newbury,
Berkshire.

Old hand

From Mr S. Miller
Sir, As an old-age pensioner, I rather resent your headline: "Elderly find census forms daunting" (April 4). Why should we find them any more daunting than the non-dodgers? In fact, the older one is, the more experience one has in filling up stupid forms, VAT, income tax, rent rebates, passport applications, driving licences, etc. etc. etc. you name it, we've filled it up.

Yours faithfully,
S. MILLER,
89 Ryehill Court,
Morden,
Surrey,
April 6.

SOCIAL FOCUS

How many more Arthurs await rescue from mental hospital?

At first glance Arthur and his two friends looked a sad little trio as they made tea in the training unit. He is severely deaf and they are victims of Down's syndrome. Yet they are part of an exciting movement in psychiatric medicine.

Arthur and his companions will probably leave the Royal Western Counties Hospital for the mentally handicapped at Starcross, Devon, late this summer to set up home in a flat and get on with a normal life.

The two friends will be Arthur's ears and part of his voice while he organizes the household. For Arthur it will be the end of 31 years as a patient in wards to which he should never have been admitted.

He is not mentally handicapped and never has been: or, as Dr Christopher Williams, the clinical psychologist at the hospital, puts it: "He's deaf but not daft".

Arthur is a victim of the frightened kindness that was embodied in the old Mental Deficiency Act of 1913. He was put away for his own good after being caught trying to take some fruit from the front seat of a parked car when he was a boy of 12.

He underwent the crude and brutal psychological labelling of the time, being described as feeble minded and of "low grade", unapproachable by routine intelligence tests and unable to absorb education. In short, his invisible handicap and

inability to communicate had put the medical handcuffs on him.

In hospital he was continually shifted from one ward to another, as ward boy, and set to work in the kitchens. No effort seems to have been made during his early years to reassess his intellectual capabilities either on the old measuring instruments or by developing new ones. Inevitably he became institutionalized.

The boy who was deaf before he could speak and who had a family history of deafness was swallowed whole. But he was not the victim of the mean-minded; he was a casualty. "A lot of people who are deaf appear to be mentally handicapped", said Dr Williams, "and because the causes of both are so similar you find more deaf people in hospital communities like this than you would in a normal community."

It was this difficulty in disentangling the causes of mental handicap and deafness — genetic, environmental, disease or accident — that made Arthur and others like him silent islands of sanity in an insane world. Deaf but not daft.

An enlightened area health authority recently carried out a survey of the 1,100 patients in the Royal Western Counties Hospital complex. Among them were 95 deaf people. At about this time Dr Williams was joined by Barbara Kropka, a graduate psychologist seeking a project for doctoral research.

She trawled the deaf group with a well validated test known as the Wechsler Adult Intelligence Scale. It has two parts, one for people able to speak normally and one which is less dependent on language for the tasks to be carried out. The deaf were able to demonstrate their answers.

She discovered that 15 of the group were not mentally handicapped. One of them, in fact, had an IQ of 103, which makes it much easier to understand the occasional tantrums manifested by this group, the cause being sheer frustration. They were simply unable to communicate.

The group has an average age of 58 and they have been in hospital, on average, for 39 years. Some are over 70 and have been in hospital for around 60 years. In fact one 72-year-old has been in hospital for 67 years. For these, the kindness of protection early in the century has become totally stifling.

Arthur will escape, leaving behind him the question of how many more people in Britain's hospitals for the mentally handicapped are deaf but not daft.

Dr Williams estimates that if the Devon percentage of 1.5 able deaf is carried across the 50,000 mentally handicapped patients in England and Wales, the psychologists and doctors should uncover about 750 Arthurs. Miss Kropka is looking for precise answers.



In their hospital flat Arthur (centre) and friends prepare for a new life.

The next stage of her project, which has so far been funded by the Royal National Institute for the Deaf, involves contacting all the hospitals for the mentally handicapped and starting the long search for people who were sent to the hospitals before they were called hospitals and before the National Health Service came into being. "When they are found, the more elderly who have become deaf over the years will need proper hearing aids and help

with lip reading, reading and writing", said Dr Williams. "Those who were born deaf or who became deaf before they learnt to speak will have to be taught sign language."

The social values of earlier decades show up in the curious fact that most of the able deaf being discovered are men. The women received better support from the community; men went to the institutions mainly because they were unemployed.

The drive to end their life imprisonment and prevent any other able deaf from joining them is represented in the rebuilding of Arthur.

At the training flat in the hospital grounds he is coming towards the end of a year's intensive social training in the best of all teaching situations, a one-to-one relationship with an occupational therapist, a teacher and a nurse.

It started with the Green Cross Code. Now Arthur goes

into town to shop, either on foot or by bus, and cooks and generally organizes life in the flat for himself and his two companions.

His grasp of sign language is moving steadily towards competence and he is totally at ease with strangers. Occasionally there is a flicker of the conditioning that goes with living in an institution. If he is in town with one of his teachers he can become slightly agitated at the thought that it is a hospital meal time.

Arthur also insists on having his hair in the institut scrub cut, but his eyes bright and alert and he stands seeking mental stimulation.

If you were to ask him would please him most, smiles and makes the str arm pointing gesture c Hollywood United States airy officer at the head o column. Translated, it m "I want to be out".

Peter Br

A very special kind of Olympics

Suggest to most people in Britain the idea of an Olympic Games for the mentally handicapped and they will probably imagine the competitors running in different directions and the proceedings breaking down in chaos, tantrums and tears.

It is an image due for a radical revision if American experience is anything to go by. For, starting with a charity film premiere tonight — of, appropriately, *Superman II* — serious fund-raising is underway in Britain for a project known simply as Special Olympics.

In this country it is only just beginning to make an impact. But in the United States and 20 other countries more than one million mentally handicapped children and adults are now involved in Special Olympics projects. The programme has attracted huge support from companies, Olympic athletes and tens of thousands of volunteers — students, teachers, athletics coaches and others who have never before had anything to do with the mentally handicapped.

It was not like that even 13 years ago when the Special Olympics were started by Eunice Kennedy Shriver, President Kennedy's sister, who is in London for the film premiere. When they were first proposed, she says, "People told us we couldn't do it."

Parents, teachers, coaches and doctors said the mentally handicapped could not leave their homes or institutions to travel. They would be incapable of running races, playing team sports or appreciating the difference between winning and losing; and if they could tell the difference, defeat would be humiliating.

"Parents were worried. They thought it would be embarrassing, their children would be ridiculed, and they couldn't do it."

At the first International Special Olympics held in Chicago in 1968, half of the eight runners in the 50-yard sprint failed to finish. But the

experience of the organizers and the 1,000 who took part was sufficient to get things really moving.

More coaches became involved. Olympic athletes took an interest and then gave their time to coach. Hundreds of volunteers took part in local training, organizing local events and heats. The Special Olympics now have an international summer and winter games every four years and 16 official sports from track and field events to swimming, skiing, basketball and gymnastics. They command prime television time on American sports programmes.

Bruce Jenner, winner of the Olympic decathlon gold medal, Eric Heiden, who took five skating golds at Lake Placid, and his sister Beth, Pele, the Brazilian soccer genius, and American baseball and basketball stars all help with training. The results, to a sedentary Briton, are sometimes quite daunting. Basic funding for the project comes from the Joseph P. Kennedy Jr Foundation.

Its directors, with Mrs Shriver, include her husband, Sargent, former Director of the Peace Corps and the Democrat Vice-Presidential candidate in 1972. He says the winner of the mile event at the last Special Olympics ran faster than the winner of the mile in the first modern Olympics of 1896. The high jump bar was set at 6ft 1in before the leaders failed.

There is a special medal for those whose achievements required particular skill, courage or humanity. The medal was introduced after one girl leading at the end of the 400 metres, saw her friend, running second, fall; she stopped to help her up, the pair crossing the line together in third and fourth place.

But even the four-yearly international meetings are not the real objective. That lies in the training, the opportunity for the mentally handicapped to get out, to learn to swim, run, play team games, learn gymnastics, before the heats and local

events, rather than sit forgotten and unachieving home or in an institution.

It is there that thousands of volunteers in the United States have played their part in Eunice Shriver calls the "biggest voluntary programme in the world". The same will be true in Britain if project is to be a success.

The outcome, apart from intrinsic benefits, has been in the United States some learning to play well enough to compete in ordinary conditions, and have even gained the confidence to take jobs which they might otherwise never have been considered for.

In Britain the project is attracting strong support. Princess Alexandra is attending film premiere, the charity newspaper boasts a bumper of the good and the great of the film programme has more advertising than previous charity programmes the past two years, local regional training programme have been set up with Sp Council and sports club support.

Thirty-two mentally handicapped people from Britain competed in the 1979 International Special Olympics collected 60 medals. The aim the current fund-raising is establish a full-time sports director in this country spread the project to thousands who could benefit from it. Britain's first Sp Olympics are planned for Liverpool, in July 1981.

For those who still wonder whether competition might destroy the mentally handicapped's remaining self-respect Eunice Shriver has a story the International Winter Sp Olympics last month in Mont, USA, a 12-year-old mentally handicapped boy came up to her. "Boy," he said, "I glad I'm retarded, I wouldn't have got to this."

Nicholas Timmi

Libraries: stopping the rot

The public libraries in the east end of London are in danger of becoming redundant. Once an escape route out of the slums for many, they have been increasingly ousted over the years by paperbacks, television and now video tapes. At best they are seen as marginal, at worst as remote and irrelevant.

In an effort to stop the rot, the London Borough of Hackney has hired Miss Maggie van Reenen under the title of "out-reach librarian". Her full-time task will be to sell and promote the libraries.

"Libraries are frightening for many people," she says. "My job is like taking the D notice off them. I have to find out where we are going wrong and work out ways to communicate."

By tradition libraries attract readers in a recession. The Library Association says that since the Second World War there has been a steady rise in the use of libraries in a variety of ways apart from book borrowing and the latest figures show that in 1977 40 per cent of adults used a library.

But in Hackney, apart from Jewish areas where there is a strong tradition of reading, there has been a steady drop in book issues over the years, only partly matched by more people using the libraries for other services.

Miss van Reenen estimates that although there are 49,000

adult members of Hackney's 17 libraries, only half, about 10 per cent of the population, are regular users. Some branches are issuing 70 books a day when on the basis of their catchment areas it could be nearer 200, and Hoxton central library, in the heart of Shoreditch, now issues 250 a day compared with about 1,000 25 years ago.

Hackney is not typical of libraries everywhere. But it shows the special difficulties of the libraries in the inner city with a falling population, high crime rates and low literacy, as well as some of the general difficulties faced by all libraries, only highly magnified.

One big difficulty is lack of knowledge of the services offered. How many people, Miss van Reenen asks, know that in Hoxton they can use a typewriter in the library or as a group borrow audio-visual cameras?

Another difficulty is resistance. Libraries have an image of authority; children generally visit them with their schools and when they leave school they stop coming, she says. People also link them with the local authority.

Improved social conditions have also had an impact. Miss van Reenen says: "For many people, the library was the only access to some kind of education. Now it is not. Nor do people have to struggle to escape from poor conditions. Decent homes, education and so

on are now provided so that they are not the same incentive."

Despite all this, libraries have a part to play. She believes there is a vast untapped body of people who would use a library if it adapted. A recent survey of the Borough of Hillingdon showed that 37 per cent of library users said they had used for a book, but were not interested in libraries.

To reach them, libraries have got to be professional and rid of their "do-it-yourself" attitude, she says. Libraries must give public a higher priority and use more other than the printed word such as tape-slide shows. Another idea is using a double deck yellow bus as a travelling shop window.

Libraries must also offer relevant information, she says. That could include how to fit a councillor; where the local Roman Catholic church is; also provide a "small noticeboard".

So far, Hackney has escaped relatively unscathed from financial cuts throughout the library service. But its budget now buys 10,000 fewer books than it did 15 years ago. Temptation, Miss van Reenen says, is to buy books most in demand, in Hackney that means westerns or romances. That must be resisted at all costs, she argues. Libraries must always provide access to the best.

Frances Gibb



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THE TIMES

BUSINESS NEWS

IMI
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electrical equipment, etc.
IMI Limited, Birmingham, England

Ydeside holds
to its
fighting spirit,
age 21

Stock markets
FT Ind 325.8 down 7.7
FT Gilts 69.39 down 0.58

Sterling
\$2.1935 up 245 pts
Index 97.9 up 0.2

Dollar
Index 101.4 down 0.1
DM 2.1380 down 165 pts

Gold
\$512.50 down \$1.9

Money
3 mth sterling 12.1/12 1/2
3 mth Euro \$ 151/15 1/2
6 mth Euro \$ 151/15 1/2

IN BRIEF

Shipbuilders and earning on K yards

British Shipbuilders gave a ringing last night that it was tanger in its present form as its losses of £2m a week were reduced.

A statement which did not refer to Monday's call by shipyards for stiff resistance to compulsory redundancies which was clearly a reaction to the need for BS to cut its problems.

Too many men are building few ships and therefore, to form acceptably, the balance must be redressed as is being in other industries," statement said.

He need for improved productivity required "unions and management." That was the way to build a "thriving, rising industry from a maker."

wait denies oil shipping stoppage

wait yesterday denied that it had stopped loading oil for multinational companies in the Gulf.

It was a refusal to pay premiums above the official government selling price.

It appears that Kuwait has not contracted at the present selling price would no longer be available but that carrying a premium still had some time to be honoured.

cord bankruptcies

bankruptcies and liquidations in the High Court reached a record in the first quarter of the year.

There were 567 companies receiving orders commencing with 388 in the first quarter of last year, a jump of 10 per cent.

The High Court is with about one third of personal business failures in land and Wales.

use prices up 1pc

house prices rose on average 1 per cent in the first quarter of 1981 after being flat in the previous quarter, according to the Nationwide Building Society.

The annual rate of house price increase is rising 5 per cent—the first for six years.

r output falls

he United Kingdom motor industry produced 94,000 cars in March, a fall of 4,000 on same month a year earlier.

A reflection of the continuing depressed state of the motor industry.

x deal signed

Mr Marvin Davis, the Denver magnate, and 20th Century signed a formal merger worth \$800m (£366m) in which Mr Davis, 55, agreed to pay \$60 a share for the film company's stock and \$80 a share for its preferred stock.

all Street Lower

he Dow Jones industrial average closed at 992.89, down on Wall Street yesterday.

S&P 500 index was 472 while the S&P 500 rate 0.55/595.

Sharp rise in bank lending dashes hopes of early cut in MLR

By John Whitmore
Financial Correspondent

A sharp rise in bank lending in March has dashed City hopes of any further reduction in the Bank of England's minimum lending rate over the next few weeks.

Figures published by the London clearing banks yesterday suggest that there was an underlying increase of some £750m in their lending to the private sector in March, almost double the recent monthly rate of increase.

This increase has been a leading factor in producing a higher rate of overall monetary growth in March than financial markets had been counting on.

The Bank of England said yesterday that its preliminary estimate pointed to a 0.75 per cent expansion in March in sterling M3, its broad measure of banking money.

News of the monetary figures, together with the implication that the MLR would probably remain at 12 per cent for at least another month, led to an immediate recovery in sterling on foreign exchange markets. In London the pound recovered 2.45 cents of Monday's fall to close at \$2.1935, its index against a basket of currencies finished 0.2 higher at 97.9.

In the gilt-edged market, prices of government stocks closed with losses of as much as 10 pence at the longest end. Although there had been a broad range of predictions on sterling M3 from stockbrokers' analysts, many had forecast that it would either show no growth or fall by as much as 1 per cent.

It is not clear how much the lending figures produced by the London clearing banks were artificially swollen by the interest rate structure towards the end of the March banking month.

At the time a squeeze in the money market meant that it was markedly cheaper for borrowers to draw down their overdraft facilities. Some even may have been tempted to draw down their overdrafts simply to relend the money in the open market at a turn.

If there was "round-tripping" of this kind, it will have been unwound soon after the March "make-up" day and the April figures will look correspondingly better.

Even so, it seems clear that the private sector credit demand is not weakening as much as it has near the bottom of previous business cycles.

This is causing anxiety among some City analysts who foresee bank lending to the private sector starting to grow again from a relatively high base during the summer as the economy shows signs of recovery.

If that were the case, it might well raise the question of how much scope there would be for any further reduction in interest rates, and possibly even point to an increase in short-term rates by the end of the year.

For the gilt-edged market, which has been noticeably more cautious than the equity market over the past two weeks or so, the latest figures make it no easier to predict future trends.

The situation is not helped by the likelihood that the April money figures, due to be published in early May, will be considerably affected by the civil servants' industrial action.

The authorities have, however, already secured a reasonable amount of advanced funding as a result of heavy sales of partly-paid conventional stocks after the Budget and the more recent sale of the partly paid index-linked stock.

The Government has also been doing well with its marketing of National Savings and this should continue to be a good source of funds at least until the new lower interest rate structure for National Savings instruments comes into effect.

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BR forced to sell properties

By David Hewson

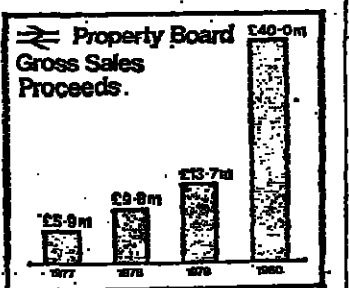
Growing financial pressures have forced British Rail to sell viable commercial properties which it would have preferred to keep, Sir Robert Lawrence, chairman of BR's Property Board, said yesterday.

Last year £40m worth of property was sold, nearly three times as much as the £13.7m sales during 1979. British Rail expects to lose at least £70m this year.

Sir Robert said: "The year ended on a high note as far as our (BR's Property Board) results are concerned, but it should not be forgotten that once land is sold its income or potential income is lost to the railways forever."

"We have sold property which, in a different climate, we might have retained for its growth potential. The pressures on the Property Board for cash are considerable and are likely to remain so for the foreseeable future. However, we do not see it part of our policy to sell at any price."

Among last year's sales were the Green Shield House property in Edgware, an industrial estate in Norwich, land at



Broad Street and Nine Elms, London, and a shopping centre in Bristol.

The Property Board's net cash contribution to the Railways Board last year was £67m, an increase of £28m over 1979. Income from lettings increased to £50m, in spite of the sales of property and, after deducting expenses, the net surplus rose by 22 per cent to £35m.

BR has been advised that its development land tax liability for the construction of a new station, shops and offices at Liverpool Street in London, reported in The Times on Monday, is likely to be less than expected.

Sir Robert hoped that the planned legislation in connection with the "privatisation" of some of BR's assets would enable the board to undertake lease and leaseback developments on properties outside of BR's operational needs, something it could not do during the past two years.

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Tables, page 23

Bank pay decision today

By David Felton
Labour Reporter

Banking union leaders are to meet employers today for a day to discuss whether 8,000 clerical and technical staff start a programme of industrial action that could cause a big disruption in the high street banks.

There were indications last night that the employers and the Banking Insurance and Finance Union were looking for ways of avoiding a breakdown in talks, but the employers were insistent that there could be no improvement on the 10 per cent pay offer which has already been accepted by the Clearing Bank Union.

"We reached a concrete agreement with the CBU and after their acceptance there is obviously no way we are going to increase the offer," the Federation of Clearing Bank Employers said.

Researcher's develop a noisy answer to noise nuisance. With the aid of £300,000 backing from the National Research Development Council, they have designed a system which aims to suppress intrusive sounds by creating an additional noise which cancels out the effect of the offending one.

This "anti-sound" concept, although experimented with over the last 50 years by a number of researchers, is believed by a number of researchers to be a significant breakthrough which could become a useful tool for ending low frequency noise "pollution" in factories.

At a test station at Duxford, near Cambridge, one of the British Gas compressors used on the national grid is having its low frequency noise suppressed by a device which creates a low frequency noise of itself almost identical to the offending noise.

The compressor at Duxford has the top of its 34ft chimney surrounded by 72 loudspeakers emitting a signal which reacts with the original unwanted sound coming from the stack.

Millions more go into banks' battle royal

By Ronald Pullen

A battle royal is developing for the Royal Bank of Scotland after yesterday's announcement that the Hongkong Shanghai Banking Corporation is making a near £500m offer for Scotland's biggest bank.

The bid, the largest in the United Kingdom in money terms, comes only three weeks after the Royal Bank had agreed terms with Standard Chartered Bank which put a value of almost £180m less on the group. Rumours of a rival bidder for the Royal Bank, the last opportunity for an outsider to get a sizeable stake in the highly profitable United Kingdom banking scene, have pushed its share price up in recent days. Royal's shares gained another 14p to 168p before news of Hongkong's offer was announced after the stockmarket had closed. Much of that buying had come from Switzerland, a traditional route for European buying of United Kingdom shares.

Neither Royal Bank of Scotland nor Standard Chartered has any comment to make on the rival bid. The Bank of England, which had already rubber-stamped the earlier deal, also seems to be taking an ambivalent line.

Mr Michael Sandberg, chairman of Hongkong group, said yesterday that he had had four meetings with the Governor of the Bank of England and a Bank spokesman added last night

that the implications were being considered.

One source of concern is likely to be the Hongkong group's level of disclosure about its operations and financial position which has already caused difficulties in its takeover of Marine Midland Bank in the United States.

Hongkong & Shanghai is offering eight of its shares for every five Royal Bank shares. The value of Royal Bank at £498.3m on its 138p share price yesterday. This is 56 per cent more than Standard Chartered's £317m. There is also a partial cash alternative of 60p per Royal Bank share which could involve Hongkong group paying out £135m.

The offer is also couched in terms which are designed to pacify growing discontent in Scotland that the identity of one of its leading banks could be lost. Scottish MPs have urged the Office of Fair Trading to refer the deal to the Monopolies Commission.

The proposals, the group claims, have been framed so that Royal Bank does not lose its "Scottish-based independence". The role envisaged for the Royal Bank is that it should be the "flagship" of the Hongkong bank group in Europe.

Discussions with Royal Bank directors have already been held but there was no indication yesterday about whether they would recommend acceptance of the offer.

Mr Sandberg criticized the Standard

terms as being "rather cheap". He said that Hongkong group could offer a much higher price because "in terms of market capitalization we are quite easily the biggest bank in the world."

At yesterday's share price it is valued at £2,152m on the stock market.

If Hongkong group is successful, it will jump from being one of the top 40 in the world to one of the top 20. It has had an impressive growth record in recent years with total assets rising from HK\$48,000m to HK\$243,000m between 1975 and 1980 and disclosed profits up from HK\$333m to HK\$1,431m.

Expansion has been fast in the past couple of years with the acquisition of a 51 per cent interest in Marine Midland, one of the top twelve US banks.

Last year it acquired the 60 per cent interest not already under its control in Antony Gibbs, the merchant bank. This move led to Gibbs being excluded from the accepting Houses Committee on the ground that control had passed to a foreign bank.

Mr Sandberg was at pains yesterday to stress that Hongkong group was a "British bank under British management". If the deal goes through, it will raise Hongkong group's earnings per share by 18 per cent and the number of shares in issue by 15 per cent.

Last month Hongkong Shanghai launched the largest ever rights issue in the colony for more than £170m.



Mr Michael Sandberg yesterday: Standard's terms are "rather cheap".

State steel pricing policy attacked as private plant is 'mothballed'

By Paul Routledge
Labour Editor

The impact of the recession on the private steel sector has accelerated with the ending of steelmaking at Alpha Steel's works in Newport, Gwent.

About 100 jobs are to go at the plant, which was a modern electric-arc furnace, to be "mothballed" until there is an upturn in the economy, leaving only a small finishing and sales capacity.

Leaders of the Iron and Steel Trades Confederation, who are consistently campaigning for the retention of a viable, private sector industry, have written to the Secretary of State, Sir Keith Joseph, demanding a change in policy.

Mr Bill Sims, general secretary of the British Steel Corporation, said yesterday that his private sector rivals out of business by its pricing policy. "BSC are using taxpayers' money to cut their prices down," he said.

Talks are continuing over the south Wales works on improved redundancy terms. Because the plant is only a few years old and will re-open if the order book improves, EEC funds are not available and the state scheme offers much lower "iron" subsidies than similar BSC agreements.

Mr Keith Brookman, east Wales divisional organizer of the ISTC, said yesterday: "This is a tragedy. We have a highly-skilled workforce, down

from day one to internationally-competitive manning levels, total flexibility and inter-changeability—but due to high interest rates, high energy costs and the BSC's pricing policy they have taken the decision to mothball the plant."

Mr Michael Sandberg, managing director of Alpha Steel, said the end of steelmaking had been dictated by the recession, over-capacity in the industry and "price-cutting from the state-owned companies, both here and overseas."

BSC's pricing policy had affected their operations to a "very large degree," he said. "Our sales were practically cut off when certain decisions were made in the state-owned company. We have dropped our prices so many times and now we cannot go any further."

We are hoping to get back into electric arc melting, and producing at the earliest possible time. We have decided to take people out because this is a very big expenditure and we have carried it too long."

Alpha's rolling and sales end will continue to operate, but the indefinite halt in steel-making adds to the toll of the recession that has affected Duport Steel in West Wales, Manchester Steel and Sheerness Steel.

Independents' warning: Warnings that other private sector steel companies could face collapse within the next few months were issued last night

by representatives of the British Independent Steel Producers' Association when they met Government backbenchers.

Peter Hill writes.

The BISPA officials, who will today appear before the Commons Select Committee on trade and industry which is considering the latest corporate plan of BSC, met members of the Conservative Industry Committee to underline their fears.

The new Iron and Steel Bill, which provides for the effective liquidation of BSC should several of its existing operations which are in competition with the private sector.

EEC meeting: Executives from the EEC's 15 leading steel companies began meeting in Luxembourg yesterday in a final attempt to draw up a voluntary agreement to limit production from the end of June, Peter Norman writes from Bonn.

The companies, which form the "European Club" of steel makers, must come to a voluntary pact because the West German government refuses to allow any extension of the present mandatory regime of production quotas beyond the expiry date of June 30.

Firstly I would recall with regret the passing of Donald Woodgate, who served with distinction in the Ministry of Defence, and who retired after 6 years as Chairman in 1976 following over 30 years as Chief Executive. He will be greatly missed by all who knew him at the W & G and by his many friends in the industry.

Mr. Lee, having reached retirement age, retires from the Board immediately after this meeting, after 13 years' valuable service to the Society as a Director.

Michael Worley was appointed by the Directors to a non-executive seat on the Board on the 1st October 1980. He is Chairman and Managing Director of William King Ltd, Steel Stockholders.

The Accounts—The Accounts before you show a continuation of growth in income and added financial strength which should further encourage confidence in our policies and our performance.

Long Term Business—After discussing the L.A.P.R. payments the increase in premium income in the Industrial (Home Business) Group was 14.8% in April 1981 over the same period in 1980. This was achieved by a 17% increase in the rate of Life Assurance Premiums, the 10% increase in the rate of Long Term Business Premiums, and the 10% increase in the rate of Long Term Business Premiums.

Investment Comment—The performance of the Society's investments during 1980 was satisfactory despite the downturn in the stock market. The portfolio showed useful growth both in capital values and rental income. Additions to the portfolio included a farming unit as well as our more substantial purchases of shops, offices and industrial units.

We also added to our holdings in Government stocks to secure yields averaging over 14%. Whilst less activity was seen in our Ordinary Share portfolio, there was nevertheless a useful growth in dividend income which may not be repeated in 1981, particularly as the companies in the manufacturing sector have had traditionally substantial increases in dividends. We will be hard pressed to maintain their dividends let alone increase them.

Business Announcements—The Directors have been able to declare higher bonuses again this year. These improved bonuses not only pass to our existing policyholders the benefits of insuring and saving with our organization but also demonstrate our competitive position from which we hope to increase new business in 1981.

The Ordinary Department Reversionary bonus has been increased from £45.00 per £1,000 to £51.00 and the Annual bonus from £5.00 to £7.00 per £1,000. In the Industrial Branch the bonus has been increased from £2.25 to £3.25 per £100. In addition a Terminal bonus will be paid on the basis of 3% of the Reversionary bonus for each year a policy has been in force.

General Business—In the Fire & Accident Department's total premium income increased by 22.1%. This was a significant improvement over the increase of 16.4% in 1979.

The Motor Department suffered an underwriting loss of £172,000 in 1979 but that loss was reduced to £128,000 in 1980.

Our Claims experience in the Property Account has been disappointing. We increased our premium income by 24% but claims increased by 34%. With the result that we sustained an underwriting loss of £25,000 in 1980 with an underwriting profit of £42,000 in 1979. We are now urgently considering additional steps which will have to be taken to bring this account into balance as soon as possible.

After taking credit for the investment income we have been able to transfer from the General Business Revenue account to the Profit and Loss account £278,716 which is slightly less than the amount of £277,749 transferred in 1979.

Processing—The new Level 64 Honeywell computer has now been delivered and our expectation is that when it is fully operational we shall not only be able to give an even better service to our Field Staff, and policyholders but also create greater job satisfaction for the staff at Principal Office.

Provision for Pensioners—I am happy to report that we have again agreed to increase pensions to existing pensioners, by amounts varying from 6% to 13%, according to the period which the pensioner has already been on pension.

Prospects for the Future—again emphasises that the greatest threat to a continuation of the very real and significant progress which has been achieved by the Society over the past few years is that which stems from a high rate of inflation, and whilst I share the concern of many others about the adverse effects of the present economic recession on industry and employment, nevertheless, I am confident that the determination of the Government to reduce the rate of inflation and keep it under control. Some of the external factors which have been in our favour over the past two years are likely to be less so in 1981 but the Society is taking steps to meet that challenge.

Tribute to the Staff—My colleagues on the Board and I again express sincere appreciation of the efforts and co-operation of our staff.

Bill Johnstone

Chancellor says banks 'relatively sheltered'

By Andrew Goodrick-Clarke
Financial Editor

Sir Geoffrey Howe, Chancellor of the Exchequer, yesterday stoutly defended his decision to impose a one-for-all windfall profits tax on the banks.

"There was a strong case for the £400m tax, he told a meeting arranged by the Conservative Political Centre in the City. High interest rates had ensured that the "tribulations of industry" were not shared by the banks.

Sir Geoffrey's Budget proposal has drawn a hostile response from clearing bank chairmen. They have argued that the tax will damage the banks' capacity to lend to industrial customers, and they fear that the Chancellor's decision may set a precedent.

Suggesting that the contrast between bank profits and those of the manufacturing sector had been "if anything, grossly exaggerated," Sir Geoffrey claimed that, despite having to shoulder bad debt provisions during the recession, the banks had been relatively sheltered.

Making a specific criticism of his tax, which was retro-spective and thus had fiscal practice—the Chancellor said

he had given the banks ample warning that a windfall levy was possible.

He reminded the banks that they had "rejected the offer I made them of an agreement for fixed rate export credit."

"I make no complaint about this. It is certainly understandable that they should prefer a tax imposed by law to an arrangement of that kind," he said.

Turning to the argument of the banks that it would damage their ability to lend, the Chancellor suggested that the clearing banks' free capital ratios were quite high and should continue to be fully adequate.

"Moreover, the clearer's capital asset ratio appears very respectable by international standards," he said, "and well above that enjoyed, for example, by large United States banks."

The tax, he concluded, was imposed in "difficult circumstances." "A charge on non-interest-bearing deposits (current accounts) is justified because, though they are, of course, not the only factor affecting bank profits, they are the foundation of endowment profits at times of high interest rates."

New hope of Russian pipeline talks

From Peter Norman
Brussels, April 7

A West German banking consortium, headed by the Deutsche Bank of Frankfurt, hopes to resume negotiations in the summer on granting the Soviet Union a DM10,000m (£210m) credit to finance a gas pipeline from Siberia to Western Europe.

Herr F. Wilhelm Christians, one of the two executive board spokesmen of the Deutsche Bank, told a press conference in Frankfurt that the sharp rise in West German interest rates two months ago had meant the German banks were unable to conclude the deal.

The credit, which would have financed the purchase of West German pipes and compressors for the 5,000 kilometre natural gas pipeline from the Yamal Peninsula to Western Europe, was no longer plausible after the federal bank had acted on February 19 to lift West German interest rates.

It was reported at the time that the agreement in principle had been reached between the Soviet authorities and the German banks on a credit arrangement

More flexible pay rules for state industry chiefs

By Peter Hill

State industry chairmen will shortly begin to test the Government's new system for fixing their salaries and those of other board members.

But there are already signs that long-standing grievances could surface once again if, as seems likely, the Government attempts to hold down recommended increases.

The Prime Minister, announcing the new system yesterday, said that it would be more flexible and would be based on managerial and market considerations and not on traditional comparisons and rankings. In effect the new system marks a return to the arrangements which applied up to 1971 when the salaries of state industry senior executives were brought within the terms of the Top Salaries Review Body.

Last year TSRB's recommended increases were cut back by the Government to 9.1 per cent and British Rail chairman, whose present salary is £43,000, and Mr Ian MacGregor, chairman of British Steel Corporation, who receives £48,500, although industry salaries and those paid to board members of equivalent

private sector companies. Under the new system, outlined yesterday by Mrs Thatcher in a parliamentary written answer, sponsoring ministers for each state industry will determine salary levels for chairman and board members in consultation with Lord Soames, Minister for the Civil Service.

Decisions on levels of pay for full-time board members in the state sector will be based on recommendations made to ministers by the chairman and non-executive members of each nationalised industry. Increases will normally take effect on the same date awarded for pay rises for other management staff employed in the state industries.

Among those affected by the new measures will be Lord Macdougall, chairman and chief executive of Rolls-Royce, at £50,000. Sir Peter Parker, the by between 9.1 per cent and British Rail chairman, whose present salary is £43,000, and Mr Ian MacGregor, chairman of British Steel Corporation, who receives £48,500, although industry salaries and those paid to board members of equivalent

Wesleyan & General Assurance Society

Substantial Growth in Life Departments' Premium Income
Increased Reversionary Bonuses
Measures to meet future challenge

Extracts from the Chairman's speech —
Mr Field, in moving the adoption of the Report and Statement of Accounts for the year ending 31st December 1980, said: —

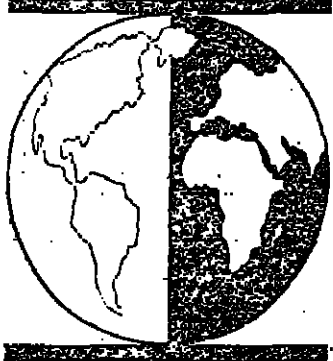
Firstly I would recall with regret the passing of Donald Woodgate, who served with distinction in the Ministry of Defence, and who retired after 6 years as Chairman in 1976 following over 30 years as Chief Executive. He will be greatly missed by all who knew him at the W & G and by his many friends in the industry.

Mr. Lee, having reached retirement age, retires from the Board immediately after this meeting, after 13 years' valuable service to the Society as a Director.

Michael Worley was appointed by the Directors to a non-executive seat on the Board on the 1st October 1980. He is Chairman and Managing Director of William King Ltd, Steel Stockholders.

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Japan plans new plant export drive

Japan's Committee on Industrial Plant Exports, an official advisory body, is planning to expand "soft" low-interest loan projects to help developing countries as part of a new export strategy.

The committee last year proposed the supply of mixed loans, combinations of hard and soft loans, to help Japan compete with other nations in the sale of industrial plants.

A survey by the committee showed Japanese industrial plant exporters have been losing contracts to West European and United States competitors in recent years.

£17m BICC order

BICC has won a £17m Kuwaiti contract for the manufacture and installation of about 210 kilometres of 132kV oil-filled cable.

\$3m credit for Peru

The Export Credits Guarantee Department has backed a \$3m (£1.4m) line of credit for Peru.

Japan-EEC trade

Lord Carrington, Britain's Foreign Secretary, is believed to have told Japan it cannot solve its trade problems with the United States to the exclusion of the European Community. The issues must be solved on a parallel basis, he told the authorities in Tokyo.

China oil find

Japanese oilmen in Tokyo said that the undersea oil reserve found in Bo Hai Bay, eastern China, is a high-grade, potentially large oil deposit with an estimated capacity of 10 to 15 million tons a year.

Korea contracts boom

South Korea won \$734m (£333.5m) worth of shipbuilding contracts in the first three months of 1981, nearly 35 times the value of contracts obtained in the same period last year.

Dutch jobless record

Dutch unemployment rose to a postwar record of 340,700 in March from 320,200 in February and 214,100 in March last year.

W Germany and Japan suffer most in latest spending cancellations

US adjusts to Chinese contract cuts

Peking, April 7.—United States companies have suffered less than their Japanese and West German competitors in China in the latest wave of contract cancellations, as they had to start out later in the race for business.

The cancellations were the result of China's decision that it was seriously over-spending and it is thought that the cutbacks could last for a few years. Some United States companies with offices in Peking, while still maintaining a presence, are withdrawing high-salaried representatives and taking other steps to cut costs.

It is not known how many companies in the United States cancelled plans to try to move into the Chinese market, launched about two years ago with the establishment of formal United States-China relations and China's proposed modernization drive.

In those fields not affected by China's retrenchment, however, a few are expanding efforts and Mr David Tappan, the chairman of the National Council for United States-China Trade, said there was still "plenty to do".

But Mr John Bing, of Pullman-Kellogg, who is going home, estimates that his company has probably done more work in China than any other United States company. Pullman-Kellogg had worked on 18 chemical fertilizer plants all over China in the past six years, worth \$500m (£218m) at today's prices.

But he said that in the area of providing engineering services for construction he could see very little new business. Pullman-Kellogg was keeping an office

manned by Chinese staff and shared with ELK Services, a Hongkong affiliate.

He saw an overall setback in expectations for United States business. Two years ago people thought an enormous market was opening up. Sane heads then said business could not materialize so quickly, but he said: "It's not a one-way street out of China by any means."

Marubeni, a Japanese trading company, is about to move into a \$620 (£284)-a-day guest house that had been offices for the past year for the Bechtel Group. Bechtel is moving into a hotel and one representative formerly based in Peking will commute from Hongkong.

Bethlehem Steel has closed its office because China suspended its contract for work on an open-pit iron ore mine 110 miles north-east of Peking.

Mr Wally Lenahan, economic counsellor at the United States Embassy, said he knew of five United States companies reducing their presence in Peking to cut costs, out of about 60 with offices in the Chinese capital.

General Electric is about to raise its Peking staff from four to five, and Mr John Wu said the energy field was not being cut back under the retrenchment.

"There are no significant deals yet," he said, but he echoed the theme of most companies when he said: "We are taking a long-term view."

Computer makers also are expanding their efforts in China.

Mr S. W. O. McDowell, of Jardines, a Hongkong trading company which repre-

sents some United States companies, said: "We are busier than ever."

The market for machinery is down, but sales of instruments, power generation equipment and petroleum-related equipment appeared more promising. There were signs of a big retrenchment over 12 months ago, but some companies may have miscalculated.

Mr Tappan said at the end of a recent visit to China that the "doom and gloom" had been overdone.

He foresaw "explosive growth" in trade in the long term, and said that in the meantime China was not cutting back in areas such as energy development, agriculture and light industry.

United States exports to China shot up 118 per cent in 1980, to \$3,700m from \$1,700m, with wheat sales increasing to \$1,040m from \$214m, and cotton sales climbing to \$701m from \$357m.

Chinese exports to the United States increased to \$1,050m from \$931m. Mr Lenahan said that United States exports were expected to increase by between 10 and 20 per cent this year and Chinese exports to the United States market by between 40 and 50 per cent.

Mr Tappan said that he expected United States oil companies to play a leading role in developing China's petroleum industry.

The oil companies, however, are waiting for China to finish writing some of the needed tax and other laws. Bidding on contracts for offshore oil work is expected in the second half of this year. (AP-Dow Jones).

Birmingham brewery to stay shut

By Clifford Webb

Mr Alex Kitson, acting general secretary of the Transport and General Workers' Union, failed in his attempt yesterday to persuade Allied Breweries to reopen Ansell's Brewery, Birmingham, and re-engage 1,000 workers who have been dismissed.

The old-established brewery was shut 10 weeks ago when employees refused to accept redundancies and new working practices and went on strike. Despite Allied's insistence that the closure was permanent, Mr Kitson took a team of senior union officials to Birmingham to try to persuade the company to change its mind.

But after four hours of talks at the local headquarters of the Advisory, Conciliation and Arbitration Service, Sir Derrick Golden-Brown, vice-chairman of Allied Breweries, was adamant the brewery would not reopen.

He did offer jobs to 400 of the 1,000, however, if the union would withdraw its pickets and allow the reopening of two key distribution depots.

£30m Airbus boost for machine tool industry

By Edward Townsend

British Aerospace is to spend about £30m in the next three years on machine tools to produce wings for the A-310 Airbus.

Leaders of the British machine tool industry are confident that a large proportion of the investment will be made in home-produced machinery, although British Aerospace would say only that its purchasing policy was based on "function and efficiency", which did not rule out the buying of foreign tools.

The spending, part of a total of up to £250m that the company is investing in the A-310, will come as a morale booster to the depressed machine tool industry, but it represents only a fraction of the new business that companies need to halt the rise in short-time working and redundancies.

Machine tool factories are working at about 60 per cent of capacity and the industry estimates that new orders of at least £160m must be won by the end of July if further contraction is to be avoided.

Several big machine tool companies are waiting for a

decision from B.Ae. on their tenders for machinery supply. Much of the equipment being bought is sophisticated, computer-controlled plant and orders are regarded as having a high prestige value.

British Aerospace said yesterday that seven factories were involved in the A-310 project and investment, particularly in advanced automatic machine tools, was taking place at each site. Some of the machines would be among the largest in Europe.

Wings for the A-310, a smaller version of the successful A-300 Airbus, are described by the company as the most advanced in the world. The first wing was completed at the company's Broughton factory near Chester yesterday and will be delivered to VFW at Bremen in West Germany next month before final assembly with the fuselage at Toulouse in France.

The new, wide-body airliner is expected to make its maiden flight next spring and deliveries will start in 1983. BAe as a partner in Airbus Industrie, the European consortium which produces both aircraft, is responsible for the design and manufacture of the wing sets.

'Self-help' answer to fuel costs

By Pearce Wright

The Government is not prepared to concede cheaper energy supplies to the petrochemicals industry, either in feedstocks from North Sea gas and oil or in electricity prices.

That was made clear, though indirectly, by Mr David Howell, Secretary of State for Energy, in an address to the members of the Royal Society of Chemistry's annual meeting at Surrey University, Guildford.

He made no concession to suggestions yesterday by the chemicals committee of the National Economic Development Council that energy price cuts were made, the 20,000 jobs shed by industry would continue at a rate of 100 a day.

Without referring specifically to the "little Neddys" of the industry, Mr Howell suggested that the best help available to the chemicals industry would be self-help.

That sort of innovation, he argued, included the development of cold water detergents, new materials for insulating buildings and novel types of high-efficiency industrial boiler and production processes.

LETTERS TO THE EDITOR

CEGB wrestles with change

From Sir Arthur Hawkins
Sir, I do not believe the electricity supply industry is in any particular need of new blood as Sir Kelvin Spencer suggests in his letter (April 6). What it does need is a fairer and more objective understanding of its achievements.

In the past decade the industry has had to wrestle with the impact on its business of world changes in the energy scene; has been squeezed between the all-powerful miners' lobby and the heavy plant manufacturers' interests; has been pressurized by left wing politicians to become another voice-catching social service, and has been denigrated by right wing politicians for no other good reason than it is a "nationalized industry".

Now Sir Kelvin has joined several others in quoting my evidence to the Select Commit-

tee on Science and Technology (December 18, 1973) out of context. In repeating the phrase "... a catastrophe we must not repeat ..." he would have done well to add the preceding sentences. I said "... in this small country we cannot afford to develop at the same time two or three different designs of AGR; we have in effect at least three distinct designs of AGR; they are all prototypes, and we are trying to rely upon them as commercial reactors. This is a catastrophe ... etc."

It is plain that I was in fact pointing out the folly of ordering these new advanced technology stations simultaneously from several different consortia of British manufacturers.

This led to different designs each with its own design and teething troubles which had to

be ironed out. This I felt imposed upon the industry the Government's intent on the demands of the power-entire CEBG, at the cost expense, has had to res one form or another, all projects to try to get some out of the investment a made. What a sad reflection of the competence and reliability of the private sector.

Thanks to the skill and imagination of the CEGH Hinkley Point B AGR is a proving its worth. Dunge may yet prove to be a respect, capable of providing the original claims of the consortium. ARTHUR HAWKINS, 61 Rowan Road, Brook Green, London, W6 7DT, April 6.

Long delivery times

From Mr Barrie McBride
Sir, My wife recently produced a son somewhat prematurely and I had to do some immediate shopping.

I needed two items that day, a chest of drawers and a baby alarm. This was my experience, all in Oxford Street. Chest of Drawers Store 1 "Delivery 1-2 weeks (from Stevenage)" Store 2 "Delivery 1 week (from Southampton)" Store 3 "Available now, collect from warehouse in London" Baby Alarm Store 1 "Delivery 4 weeks."

They go very quickly when they're in. Store 2 "Out of stock. Trouble with manufacturer." Store 3 (Branch of 2) "Plenty in stock."

Whereas I learnt something about being a housewife I learnt something more about the recession in the furniture and retail business. Yours faithfully, BARRIE ST C. McBRIDE, Managing Director, McBride Partnership, 87-91 New Bond Street, London W1Y 9LA.

Pension schemes a inflation

From Mr Myles White
Sir, I share Mr Martin's view (April 2) re the value of the state component (the "C" scheme) as a means of minding the exposure of the pension schemes to the inflation.

Is it not a pity that, precisely the time we are pre for the quinquennial review the state scheme which will enable all con to review their position light of five years' experience the Government is under public confidence in the ability of the national insurance scheme generally by the trustee attack on the structure?

Members of pension schemes faced with a proposal to retract are entitled to anything safe and how value can now be attached to the bipartisan agreements pensions Mrs Castle and late Brian O'Malley if they had achieved.

Yours faithfully, MYLES J. WHITE, Head of Pensions and Social Services Department, General and Municipal Workers' Union, Thorne House, Ruxley Ridge, Claygate, Esher, Surrey KT10 0TL, April 2.

Putting British goods first

From Mr G. S. Ettinger

Sir, I was enormously cheered and uplifted to read in your April 1 issue that Debenham's have taken the lead in reducing their overseas buying to save British names. I say "Follow the Leader" in res. terms, and maybe British industry, which needs so much support at this time, will reenter a spirited cycle of prosperity and (dare I

say it!) maybe even a renaissance. As a manufacturer I am indeed encouraged in the hope of resuscitating faith and pride in British skills. Yours sincerely, G. S. ETTINGER, Managing Director, G. Ettinger Ltd, 11 Warwick Street, Regent Street, London W1R 6U.

North Sea oil tax changes

From Mr K. J. L. Macpherson

Sir, There would not be any connexion at all between the recent attempted massacre by the Chancellor of the Exchequer of the profitability of North Sea oil investment through his swingeing tax changes, thus dimming the attraction of the oil sector of the stock market, and the announcement that the sale of

shares in the British National Oil Corporation is to be dropped from the present session of Parliament. Would there? Yours faithfully, K. J. L. MACPHERSON, 21 Greenways, Walton-on-the-Hill, Tadworth, Surrey, KT20 7QE, March 31.

Bank Leumi Le-Israel B.M.

Israel's first and Largest banking group and one of the 100 largest in the world

CONDENSED CONSOLIDATED STATEMENT OF CONDITION OF THE BANK AND ITS SUBSIDIARIES AS AT 31ST DECEMBER, 1980

(Exchange rate of 31/12/80 - \$1.00 = IS7,5480)

(In thousands)		
ASSETS	Sheqels	U.S. Dollars
Cash and balances with Banks	54,802,489	7,260,531
Securities	8,742,727	1,158,284
Deposits with and loans to the government	26,645,258	3,530,108
Loans	28,634,821	3,793,696
Loans out of deposits for the granting of loans	11,349,230	1,503,608
Other accounts	822,739	109,001
Bank premises and equipment	386,523	51,209
Liabilities of customers	8,102,766	1,073,498
	139,486,553	18,479,935
LIABILITIES		
Deposits	97,219,068	12,880,109
Deposits for the granting of loans	11,567,835	1,532,570
Debentures issued by subsidiaries	17,009,798	2,253,550
Other accounts	972,047	128,782
Liabilities on account of customers	8,102,766	1,073,498
Capital, reserves and surplus	1,488,011	197,140
Capital notes - convertible into shares of the Bank	445,188	58,981
Interest of outside shareholders	317,483	42,062
Non-convertible bonds and capital notes	2,364,356	313,243
	139,486,553	18,479,935

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDING ON 31.12.80

(In thousands)		
	Sheqels	U.S. Dollars
Operating profit before taxation	1,486,789	196,978
Provision for taxation on Operating profit	351,857	46,189
	634,932	84,119
The Bank's Equity in Undistributed After Tax Profits of Unconsolidated Subsidiaries	9,623	1,275
Operating profit, before deduction of outside shareholders' interest	644,555	85,394
Outside shareholders' interest in operating profit	124,643	16,513
Operating profit, before non-operating income and expenses	519,912	68,881
Non-operating income, net, after related taxes and outside shareholders' interest	5,343	708
NET PROFIT	525,255	69,589

The Bank Leumi group has 433 branches, subsidiaries and representative offices including 57 overseas in 18 countries.

Head office: 24-32 Yahuda Halevi St., Tel-Aviv 65546, Israel, Tel. (03) 622111, Telex: 035566 IL.

Bank Leumi (U.K.) LTD.

Head office: 4-7 Woodstock St., London W1A 2AF, Tel. (01) 629-1205 (4 branches).

Bank Leumi Le-Israel (France) S.A.

Head office: 30 Boulevard des Capucines, 75009 Paris, Tel. (1) 824 7410 (2 branches).

Bank Leumi Le-Israel (Switzerland).

Head office: 34 Claridenstrasse 8022, Zurich, Tel. (01) 201672/8 (1 branch in Geneva).

Other subsidiaries, branches and representative offices in:

New York (26 branches), Chicago, Philadelphia, Beverly Hills, L.A., Miami, Toronto, Cayman Islands, Caracas, Bahamas, Panama City, Mexico City, Caracas, Sao Paulo, Montevideo, Buenos Aires, Frankfurt a.M., Brussels, Antwerp, Milan, Hong Kong, Johannesburg.



בנק לאומי bank leumi

Swire Pacific Limited

Consolidated results for the year ended 31st December 1980 and 1980 final dividends

Results. Audited consolidated results for the year ended 31st December 1980 were:

	Year ended 31st December 1980	1979
	HK\$ m	HK\$ m
Turnover	4,974.6	3,690.6
Operating profit	894.1	672.8
Interest charges - net	181.2	90.4
Net operating profit	732.9	582.4
Share of profits of associated companies	67.2	37.3
Profit before taxation	800.1	619.7
Taxation	131.4	111.7
Profit after taxation	668.7	508.0
Minority interests	210.7	180.1
Profit before extraordinary items	458.0	327.9
Extraordinary items	8.2	2.2
Profit for the year	449.8	325.7
Earnings per share:		
'A' Shares	130.84	93.74
'B' Shares	26.24	18.74
Dividends per share:		
'A' Shares - Interim	17.04	17.04
- Final, recommended	43.04	34.04
	60.04	51.04
'B' Shares - Interim	3.44	3.44
- Final, recommended	8.64	6.84
	12.04	10.24
Net assets per share:		
'A' Shares	11.86	8.80
'B' Shares	2.37	1.76

Swire Properties Limited's profits for 1980 increased very satisfactorily by 112% to HK\$ 505.2 million of which HK\$ 341.4 million was attributable to Swire Pacific Limited. Cathay Pacific Airways Limited's results for the second half year showed a significant improvement over the first half. Industries division's results improved in the second half year with a substantial increase in profits for the whole of 1980. Shipping, offshore services and dockyard division's profits also increased in the second half year in line with rapidly improving market conditions in the offshore services area.

Final dividends. The directors of Swire Pacific Limited will recommend to the shareholders at the annual general meeting on 1st June 1981 the payment of final dividends of 43.04 (1979 - 34.04) per 'A' share and 8.64 (1979 - 6.84) per 'B' share payable on 1st June 1981 to shareholders registered at the close of business on 14th May 1981; the share registers will be closed from 15th May 1981 to 1st June 1981 - both dates inclusive.

Investment properties. The annual valuation of Swire Properties Limited's investment properties was carried out at 31st December 1980 and resulted in a surplus of HK\$1,285 million over the valuation at the end of 1979: HK\$868 million of this surplus is attributable to Swire Pacific Limited. The surplus reflects the continuing increase during 1980 in the market values of properties in Hong Kong. Because of the retentions in 1980 and the property valuation surplus, the book net asset values per share of Swire Pacific Limited at 31st December 1980 increased by 35% over the values per share at the end of 1979.

Prospects. For the Swire Pacific Group as a whole, prospects for 1981 are certainly good. Swire Properties Limited is expected to make an appreciably larger contribution to profits and, in Cathay Pacific Airways Limited, the trend of improving operations in the second half of 1980 is expected to continue to grow in strength in 1981. Industries division and shipping, offshore services and dockyard division are also expected to achieve further increases in profits for 1981.

The annual report for 1980 will be sent to shareholders on 7th May 1981.

Hong Kong
2nd April 1981

D.R.Y. Bluck
Chairman



Swire Pacific Limited
The Swire Group
Swire House, Hong Kong.

BY THE FINANCIAL EDITOR

A set-back for the optimists

itionally the gilt-edged market is grossly optimistic. And so it proved yesterday. Though views on the likely outcome for early growth in March had covered a wide range, the predictions had been weighted towards nil growth in March.

The fact that the gilt-edged market is optimistic is not necessarily important. The more crucial issue is whether figures are bad in themselves.

On the face of it, there is little wrong indicated by growth of 0.75 per cent in March. It leaves the annual rate of growth over the past three months at around 9.1 per cent. What is a, the underlying rate of bank lending by the London clearing banks may not be as serious: the figures have clearly swollen both by straight switching overdraft borrowing and, probably, by a rain amount of "round-tripping" too. It said, there is certainly little firm evidence as to why one should feel confident about the monetary situation at about Sterling M3 for March should have fallen from the large half-yearly peak of Petroleum Revenue Tax, for which Bank of England does not make a final adjustment.

Moreover, the underlying rate of growth in lending to the private sector may be slowed appreciably since last summer. It is still not especially low for this in the business cycle. The fact that it is only level-pegging in real terms is a comfort either.

It might, be said to offer further support of an incipient recovery in the economy. But if that is the case, does it also mean that we are somewhere near the end of the inflation rate and interest cycles? Or could it be that a recovery in the private credit demand over the year might be offset by an underperformance in the PSBR?

It is a wonder that the gilt-edged market is trading cautiously at present. The long-term prospect is far from clear, it is not as if the April money supply will provide a particularly useful given the inevitable distortions likely to be caused by the Civil Servants' industrial action.

Bank auction

Hongkong and Shanghai's powerful counter

Standard Chartered's terms for the Royal Bank of Scotland never looked generous enough to give it a free run on the last auction opportunity to get an important slice of the lucrative United Kingdom retail banking market.

A firm foundation seems to have been laid for Britain's first major oil service group, while the recent acquisition of Baron Oil in the United States adds both a substantial reserves position and a base from which to build up the group's American rig fleet. And given the group's minimal exposure to the sort of commodity price conundrums currently bedevilling the production majors, yesterday's setback in the price could provide a buying opportunity.

Laing Properties, hived-off from John Laing in October, 1978, surged forward again in 1980. Profits are 25 per cent higher at £7m, thanks to a carefully orchestrated development programme that kept Laing busy in spite of the recession. That should continue through into 1982.

Development projects completed last year were worth an extra £13.1m on transfer to the investment portfolio and a triennial revaluation of the whole portfolio added another £29m. Shareholders' funds ended up £43m higher and with borrowings fractionally lower at £50m, gearing fell from just over 50 per cent to 35 per cent.

A quarter of the portfolio is held in North America and produces roughly a fifth of rental income. Though the United Kingdom remains LPL's base, the company is taking a more cautious view of things here and now prefers to pre-let projects before building starts, if it can.

Rental income is all important to Laing as trading profits are expected to do little more than cover central charges, and did so last year with £100,000 to spare after a £400,000 increase in net interest costs at £3m; while group rental income rose from £5.6m to £6.9m.

The profits increase and a 14.3 per cent rise in dividend, saw the shares up by 11p to a new "high" of 208p. Here, the yield is 2.75 per cent and p/e ratio 28. That could be much harder to live up to this year, with rising land prices and comparatively high building costs in the United Kingdom.

Standard empire. The idea is that Royal Bank should become the flagship for its European banking aspirations and there is an attempt to draw the teeth of Scottish nationalism by saying that there will be no loss of its Scottish-based independence.

Hongkong & Shanghai's claims that it is a British bank is, however, unlikely to be as convincing to Scottish nationalists as it was to the Accepting House Committee when it purchased the rest of Antony Gibbs.

So far as Hongkong & Shanghai is concerned the move represents a distinct increase in the tempo of its efforts to become a worldwide bank since the Royal move comes only a couple of years after its purchase of Marine Midland in the United States. The Hongkong market was less enthusiastic about the move with the shares closing easier yesterday. Meanwhile, if Hongkong & Shanghai is successful it remains to be seen if the United Kingdom authorities are any more successful than those in the United States about forcing the bank to disclose more.

KCA

Profits could double again

KCA International's shares fell 20p to 182p yesterday, a reaction that can be blamed on the absence of firm details on the price and timing of the planned flotation of a minority interest in the KCA Drilling subsidiary.

For profits, at £3.73m up from £2.8m (a figure which included a £950,000 land surplus), were up to expectations and a shade better than the forecast given with last November's £12m rights issue. Moreover, a 17 per cent dividend increase for a yield of 4.1 per cent was a good deal better than had been bargained for.

This year profits could double again, reflecting a possible £1.75m contribution from the charter to CAMPA of the new drillship, a significant increase in profits from the barite shipment contract with China, a turnaround in BW Mud and further growth in land-rig contracting.

That would reduce a forward-looking p/e ratio of 27 to under 20. But the market may be wary of the Drilling flotation which will include the new drillship both to conform current net worth estimates ranging between £2.50 to £3 and provide a key to future financing power before chasing the shares higher.

Nevertheless, KCA's chairman, Mr Paul Bristol, has moved far towards overcoming the credibility gap caused by the group's Algerian troubles a few years ago, boardroom wrangles and the Furness Withy involvement.

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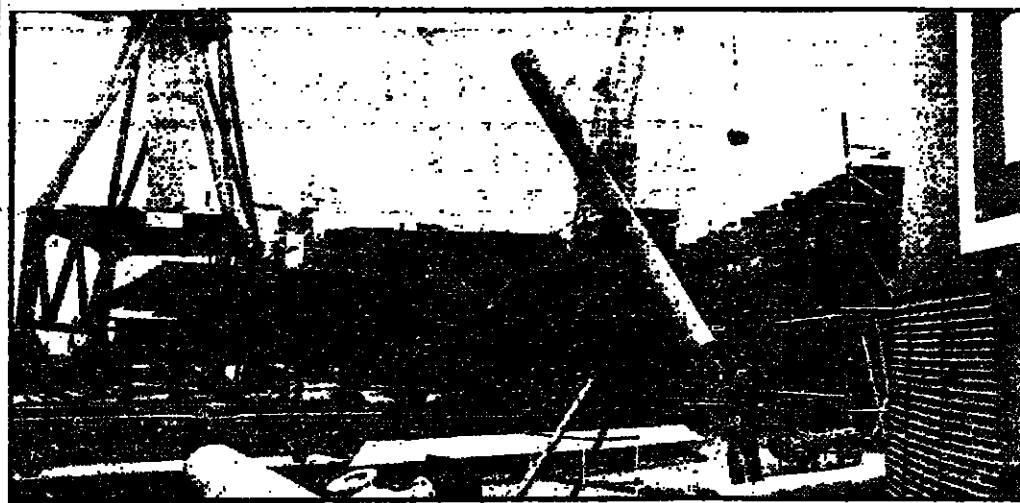
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Photograph by Bob Nicholson
Mr Jimmy Reid (right) Upper Clyde Shipbuilders shop steward spokesman in 1971 addressing a meeting of workers; and the newly equipped Govan yard at work today.

Ten years on—still a fighting spirit on Clydeside

On Clydeside, plans are well advanced to celebrate an event which 10 years ago became the focus of worldwide interest. The "work-in" initiated by the workers of the ill-starred Upper Clyde Shipbuilders consortium on July 30, 1971 became a source of inspiration for other groups of workers; obliged the Heath government to step back from its "lame duck" industrial policy; and guaranteed its participants rather more than a footnote in postwar British industrial history.

The men were united in asserting their right to work. Their leaders, Mr Jimmy Reid and Mr James Airlie, became not only Clydeside folk heroes but national figures overnight. It was Mr Reid, the Communist shop steward who articulated the men's case and who, on the first day of the work-in, set the tone when he addressed the mass meeting.

"There will be no boot-lisening, there will be no vandalism, there will be no 'beaving'. It is our responsibility to conduct ourselves with dignity and maturity. We don't only build ships, we build men. They (the Heath government) have taken on the wrong people and will fight," he declared.

Few doubted that they would fight effectively. In Clydeside's turbulent history, the shipyard workers have proved themselves to be a tough, proud and determined bunch. The qualities have helped to give them a reputation for militancy, intransigence and sometimes downright bloody-mindedness.

but this many of the men contest as misplaced criticism and certainly exaggerated.

Against the backdrop of the further 628 compulsory redundancies which British Shipbuilders is now seeking throughout the corporation (including a number at Govan)—the Confederation of Shipbuilding and Engineering Unions is threatening industrial action if notices are not withdrawn by April 22—the Govan men can be expected to take a tough line. Shop stewards at Govan are determined that the spirit of agreement reached between ES and the CSEU should survive, even if the text has become tattered.

A comment last week by Mr Jimmy Paul, a boilermaker and joint shop steward, sums up the spirit in which Govan is likely to battle against the new redundancy demand from British Shipbuilders. "You cannot work at a craft without having pride. You show me a better standard of ship out of any yard than this one, and I'll show you a royal yacht. But if we feel strongly about something, we don't just sit there and take everything that is thrown at us."

For today, almost ten years after the collapse of UCS and

the heady, intoxicating days of the "work-in", Govan Shipbuilders, the Government-sponsored phoenix delivered from the ashes of UCS (itself formed from the amalgamation of four yards), is still deep in the red. Part of state-owned British Shipbuilders since 1977, it turned in a loss of £17.4m last year and the financial year just ended has not been much better.

But there are grounds for cautious optimism. Encouraging progress has been and is being made. Management and workers are determined that Govan will survive and that commitment is a potent force on Clydeside.

Mr Eric Mackie, a genial Ulsterman and Govan's managing director, is the kind of man shipyard workers respect. "I have made it clear right from the start that as far as I am concerned, the only people who will close Govan Shipbuilders will be the workers themselves—through a lack of effort and a willingness to turn the place round. We are now performing quite well but we cannot afford to be complacent," he says.

Mr Mackie detects an awareness by everyone at Govan that they must produce if they are to survive in a world of cut-throat competition for orders. Owners can be choosy. They can afford to take their time selecting a yard to build a ship and, however, attractively wrapped the credit package, a good delivery record can tilt the balance.

After years of miserable performance, Govan is now deliver-

ing the goods. Productivity is up (from some pretty appalling levels in the seventies, it is true), the man hours involved in building ships are falling and disputes on the berth or in the fabrication shops are rare. The first of a pair of Cardiff-class bulk carriers was delivered a week ahead of schedule earlier this year; a second will be handed over three weeks ahead of schedule next week. Work on two other ships now on the berths is well advanced. A bonus scheme based on reductions in the man hours spent on ships should help to improve performance still further.

Flexibility of working and switching between trades (with in corporation-wide agreements) have begun to eliminate demarcation lines which earlier had been stoutly defended (there were no earthquakes recently when Govan trained a group of joiners to do some basic electrical work). The labour force has been slammed down sharply—over the past 18 months from more than 5,200 to 3,135.

Tempered by the carrot of a far redundancy cheque many of those who have left in search of new work have become statistics on the 65,200 on Glasgow's unemployment register.

After the redundancy money has gone, life outside the yard gates in the Govan Road is a cheerless business—something which perhaps has influenced the trend in industrial disputes. Last year British Shipbuilders lost 1.25 million days through industrial disputes, the worst

for four years. At Govan there was only one significant stoppage involving about 900 boilermakers.

In the three years to April 1979 a token one-day strike by 3,700 workers accounted for the bulk of the 4,000 working days lost as a result of internal disputes in that period.

So after years of procrastination, recrimination and debility, Govan has begun to turn the corner. It is beginning to reap the benefits of investment in new plant and equipment which allows the outfitting of 70 to 80 ton sub-assemblies and so cuts down construction time. But all the advanced equipment in the world cannot operate, however willing the workforce, unless there are orders on its books. Mr Mackie and his Govan colleagues have so far won the confidence of the workers by coming up with orders and they are optimistic that there will be more. It is vital that there are. As both Mr Mackie, and his shop stewards freely admit, when there are no more orders on the books, workers slip quickly into the "last ship syndrome" and productivity slumps.

Mr Stan McNeen, another shop steward, who has been with Govan since the UCS days, sums up the attitude in the yard: "The workers who are left are the fighters. The system has made them an army and we are streamlined into a fighting force. We don't want to fight. We want to work."

Peter Hill

Not much of a prop for the builders

Peter Wainwright

Sir Geoffrey Howe, the Chancellor, announced in his Budget a number of measures designed to help builders and developers. How have they been received in the industry?

The help can be described as small and welcome by those well disposed towards the Government, or of little consequence by those who are neutral.

But the Chancellor has eased development, land tax. This levy was originally designed to cream off the profits arising from the difference in land values based on existing use compared with its value as development land.

In the Chancellor's first budget in June 1979, the threshold at which tax became payable rose from £10,000 to £50,000 of the difference and the rate of tax fell to 50 per cent. But it was felt that the taxes continued to discourage development, partly because the amount of tax could not normally be ascertained when development had started.

The Chancellor has in effect tried to remove most cases where development land was originally payable, by raising the "base" cost above the cost of buying the land before development.

The base cost is now to be 50 per cent in place of 15 per cent. The change is designed to help builders, but its importance may be measured by the fact that the Chancellor's revenue for the financial year 1981-82 is estimated to be £5m to £25m.

Barratt Developments, now our leading housebuilder, points out that in line with everyone

else of any size, it buys its land already equipped with planning permission. There is, therefore in the nature of things, no tax to pay. "The change in DLT is a concession to help small builders who buy land without planning permission to build houses and then hope to get it changed," the company says.

Barratt's great rival, George Wimpey, agrees with Barratt on the significance of the change. Much obviously depends on the demand for houses, because the tax becomes effective only if houses are built and sold. Here the trend of interest rates, especially the cost of building society mortgages of personal incomes and of activity in the economy generally play their part.

There is also an impression throughout the building and property industry that development land tax is one that is easy to circumvent. If, for example, homes are selling well, the final buyer is likely to end up paying the tax. If they do not sell well, the houses will not go up and the land will not be bought.

The Chancellor has also increased the initial allowance for expenditure incurred on building new industrial units from 50 per cent to 75 per cent. The intention is to benefit construction and employment in the industry.

One difficulty is that the letting market is quiet. The hope at George Wimpey is that it will pick up in perhaps a year as the economy revives. Meanwhile, there is a lot of idle industrial space in terms of making factory building in itself more attractive.

For a beneficial impact as time goes by. Time will be needed because development schemes have to be prepared, planning consents obtained and finance arranged.

One problem now, it points out, is that the lending institutions, such as pension funds, are not now as enthusiastic as they were about new schemes. Property men frequently have time-scales even longer than pension fund men, who sometimes allow today's recession to dominate their thinking.

Much more important than the present proposals, according to another surveyor, Edwin Hill and Partners, were the changes enacted a year ago. These gave an impetus to building small factories, and there is a persistent demand for such units, in the South East and the Midlands.

Those who want new small factories have no use for old surplus capacity on the market. The units are too big.

The conclusion, then, must be that the development land tax changes are at least welcome to smaller housebuilders who often had to borrow to pay their DLT bills. Outside this group, the impact of the Chancellor's measures in the hard-pressed building sector appear at present to be very small.

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Business Diary: Golden lads and girls • Prestel and pulpit

There is money to be made in business consulting in Washington, especially if you are a graduate of Business Administration degree from a top university.

A survey by the top-drawer Wharton School of the University of Pennsylvania shows that average starting salary of 980 MBA graduates was 8 cent up on the previous at \$27,000 (about £12,000), some started at \$50,000.

The average starting pay received by its female graduates \$26,000, or \$1,300 less than male average. The top sum paid to women was \$40,000 compared to \$50,000 for men. The highest starting pay for bright MBA was in management consulting, with an average rate of nearly \$40,000. The graduate entering into consulting could look forward no more than \$21,253 on average.

The biggest money was in American North-east, although starting pay in New York at an average of \$27,813, less than Washington D.C. where it was \$32,375. All those consultants and consultants to the government are doing nicely, if the budget is to be cut critically, according to Ronald

I for one would be dry-eyed if I were to take down that notice which says: "We have an arrangement with the bank: they do not serve drinks and we do not cash cheques."

However, long before that day comes, we are likely to see another piece of publican's wisdom. This is likely to read: "We have an arrangement with the garage: they are serving drinks so we are putting in a petrol pump."

Far-out religions being much in the news this week, I offer you two timely reflections: how long will it be before some Californian nuttier makes a religion (and a fortune) out of Prestel and how long before the Post Office learns from the Moonies and acquires charitable status?

These thoughts are prompted by the news from Durham University, where Canon M. S. Simmons of the theological department tells me that a pilot (or is it sky-pilot?) programme is under way to see how good the Post Office's Prestel television information service is, at persuasion as well as at conveying the Word.

Ask Prestel about belief in God, for instance, and it can tell you to select the next "page", according to whether you agree or disagree that there is a rational basis for faith. If you say yes, it offers

Drinks Marketing, a new magazine, reports that the National Association of Licensed House Managers is backing a parliamentary campaign to stop garages turning to off-licence "drink sales" to make up for declining profits on petrol sales.

Jet has four such sites and Mobil six and, says Neil Marshall, of the Motor Agents Association, the number will increase unless petrol sales pick up.

You further thoughts designed to make you think more deeply; if you say no, it presents you with arguments why you are wrong.

A variation being considered is Prestel's use in counselling, you tell it you have a problem, it defines the problem by a series of choices and offers you advice.

In this case it would be Christian advice, as the three years' research is being paid for by the Society for Promoting Christian Knowledge. But there is nothing in the Post Office's present policy on editorial control of Prestel to stop all sorts of uplifters from adopting these techniques once perfected—and seen by the Post Office as profitable. Canon Simmons thinks that this could happen and says that he is glad that his church is getting in first.

Joe Gormley has something of a love affair with the island of Jersey, where this summer he chairs his last conference as President of the National Union of Mineworkers.

One of this month's Management Today will find his famous "battered cherub" grin taking up most of a full-page advertisement trumpeting the island's claims as a conference venue. In 1979, it recalls, Jersey welcomed the NUM conference, and obviously gave them something to smile about.

What the advertisement does not say is just what it was that Gormley did that made everybody smile, not to say guffaw. Miners can be an insular lot and such was the sense of national zeal in the depths of Cumbria about gallivanting off to the Channel Islands (tax haven, etc. etc.) that local pit leaders put down a motion for the last Jersey conference insisting that all future jamborees should be in the coalfields.

There were some fine speeches in support and Gormley, whose well-known taste for the good life seemed amply catered for at the luxury Hotel de France, was clearly afraid that future jamborees would have to take place in his native Lancashire or even (perish the thought) at the court of King Arthur in Barnsley.

So when the hands went up, and to observers it was plain there was a clear majority for



NUM's Joe Gormley.

the Cumbrian proposition—he simply declared it lost. His ex-cathedra ruling, brought about from the delegates and some synthetic howls of rage from NUM officials—who were actually enjoying the full rich life.

The baying turned to laughter, and (not for the first time) Gormley's fear for the actual author of the rhetoric paid off. It was confidently predicted that the "old fox" would take the conference back to Jersey for his last full year as president.

Incidentally, in accordance with the theory that straight advertising is the best (the drunk Scotch whisky makes you drunk) school of communication) his line is simple: "Jersey is a damn good conference centre", he says.

The Consumers' Association, publisher of Which? magazine, is to adopt a marketing technique much favoured by some of the hard-selling companies that the magazine has criticised in the past. It is to run a prize draw, with a first prize of £10,000, to attract new subscribers to its publications.

The decision reflects the fact that while the association has become a business with a turnover of nearly £12m, it is at a disadvantage compared with competitors by refusing to accept any advertising.

Which? has had between 600,000 and 700,000 subscribers for about a decade. But Bruce McCormack, the association's marketing man, believes that the prize draw technique will achieve what he terms "a quantum leap"—a circulation increase of at least 100,000.

The scheme did not pass the organization's council without some vociferous opposition from a minority who insisted that a value-for-money organization should not be playing with "something for nothing" gimmicks.

The surely apocryphal story doing the rounds at Westminster has a grocer saying to Mrs Thatcher: "I have this 'special' today—55p for a dozen." "Eggs?" asks the Prime Minister. "No, raisins," replies the grocer.

Ross Davies

One of the world's most exclusive hotels.

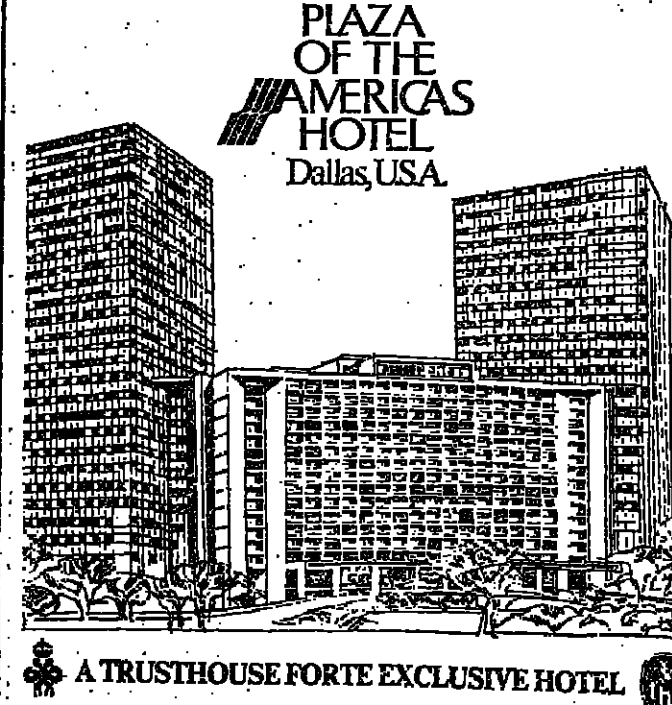
Opened in the autumn of 1980, the magnificent new Plaza of the Americas is the first hotel of such style in the American Southwest. It provides hospitality in the grand manner: the finest of modern facilities and comfort, with personal service and attention to detail in the classic European tradition. Its restaurants are already rated the finest in Dallas.

442 beautiful rooms, 39 suites, the spectacular Plaza Ballroom and the Plaza Terrace provide everything that could conceivably be required by guests, up to full banquets for 800 people.

There is a landscaped arena for ice skating; guests can dine, relax, play tennis, enjoy a sauna or the invigorating whirlpool, or while away the evening at the rooftop nightclub.

"Never before in Texas has extravagance been so well justified."

For reservations telephone 01-567 3444.



A TRUSTHOUSE FORTÉ EXCLUSIVE HOTEL

FINANCIAL NEWS

in gilts
yella cuts
rowings
£12m

The continuing trading of gilts, the board at Carling's has concentrated on strengthening the cash position and at the March United Kingdom term borrowings were about £12m below the target level.

time rise at
ish Met Prop

The half-year to February 81, pretax profits of the based Scottish Metropolitan Property Company rose by 29 per cent to £1.78p gross is being on the issued capital of shares (compared with shares last year). The issue last December on a five basis and conversion of loan capital. SMP's believes that with the increase in pretax profit, it will be able to pay a dividend on the bigger issue at a rate which will be the total for the year to last year.

Industrial sells
subsidiary

Industrial has sold its share in subsidiary to Endolite Company, a wholly owned company owned by Reliance Name.

sale involved a business
total net assets of about
£100,000, the transaction, how-
ever, includes the two freehold
sites at Eaton Bray and
Hertford, and therefore
relates to net working
of some £320,000.ing expands
eral interests

mas Tilling is making an offer for the Oxford Lime Company, the company of a privately owned group operating in the south and south-east of England and the production of lime and ready-mixed mortar. The consideration will be satisfied by issue of 1,800 new Tilling ordinary

ley gets control
DN and European

ences of its offer, plus purchased and already by Bardsey have taken its in London and European to 50.66 per cent of the capital.

der's order book
y recession

R. Cole, chairman of International, says its annual statement in broad terms the business is sound and profitable. The deepening recession is now seriously affecting the company's order book, though it has many large contracts in prospect.

NCC Energy takes stake
in Simplicity to 15.4 pc

By Rosemary Unsworth
Mr Graham Ferguson Lacey's NCC Energy is buying a further 10 per cent stake in Simplicity Pattern, the New York group. This latest purchase brings NCC Energy's holding to 15.4 per cent. NCC is paying about \$16 a share for 1.36m shares for a total consideration of \$22m (£10.1m).

The group said it had no plans in the foreseeable future to increase its holding in Simplicity, although merger discussions between the two companies, announced last month when NCC bought its original 5.5 per cent holding, would be accelerated after the purchase. However, Mr Ferguson Lacey, NCC's chairman and chief executive, added that the negotiations initiated by UNC Resources, a United States uranium extraction company, which may lead to a takeover bid for NCC, would be concluded by the end of the week.



Mr Graham Ferguson Lacey, chairman of NCC Energy.

when an announcement would be made. NCC bought the latest Simplicity stake from its largest shareholder, Southeastern Public Service, a utilities group.

The deal is subject to shareholders' approval. Lacey, Mr Ferguson Lacey, president of NCC's United States subsidiary, and Mr Alan Dodd, finance director, will be joining the Simplicity board.

Mr Ferguson Lacey will also join the Simplicity executive committee as chairman and Mr Gittes will become a member. NCC has invited Mr H. Cooper, Simplicity's chairman, to join its board.

NCC's shares were suspended at the end of last month at 142p, which gives the group a market capitalization of £40m. The suspension was requested after the first Simplicity announcement.

Simplicity, which Mr Ferguson Lacey called one of the world's largest pattern makers, is valued on the New York Stock Exchange at \$135m (about £61m). Pretax profits last year were \$18.5m.

Yorks and
Lancs in
£679,000
cash call

By Catherine Gunn
Yorkshire and Lancashire Investment Trust is to raise £679,000 net of expenses through a one-for-two rights issue at 36p a share.

The rights issue was triggered by a £2.1m cash call from private exploration vehicle Rocky Mountains Oil and Gas, in which the trust has a 6.25 per cent stake. Two Yorkshire and Lancashire directors — Sir Trevor Dawson, who is chairman, and Mr Michael Barrett — are on the Rocky Mountains board.

Mr Barrett said yesterday that the decision to mount a rights issue in order to take up the Rocky Mountains issue was taken by the independent directors. The trust's chairman is Mr Cecil Taylor.

Only £131,000 of the £679,000 Yorkshire and Lancashire rights issue is needed to take up the trust's share of the Rocky Mountains one-for-one issue, at £17.5 a share.

A further £50,000 will be set aside to apply for extra shares in Rocky Mountains under its preferential rights to share in the company's profits. The rest will be used to eradicate the trust's bank borrowings of around £32,000 and for investment in high yielding securities, mainly in Britain.

Rocky Mountains is the trust's main energy investment and will account for roughly 13 per cent of its £2.2m portfolio after the issue. Both rights issue are being underwritten by merchant bank Arbuthnot Latham.

Rocky Mountains own cash call is in order to take up a 25 per cent interest in 657,000 more acres in the United States, and other interests in another 400,000 acres, to be assembled in a partnership with British company Premier Consolidated.

Two fifths of Dorset's drilling will go into low risk drilling, mainly in Texas, and the rest into higher risk projects. Roughly 100 wells should be drilled in the next 18 months to two years.

ings by 20.7 per cent to DM342.8m (£73m) from DM283.8m in 1979, enabling an increase in the dividend to DM10 from DM9.

Herr Christians, who called 1980 a "pleasing year" when Deutsche Bank scored both "quantitative and qualitative advances", did not make any firm prediction for 1981 results. He said, however, that "our ambition is to retain the DM10 dividend".

Cheung Kong
Group net profits of Cheung Kong (Holdings) of Hong Kong rose to HK\$270.1m (£60.4m) in 1980 from HK\$254.1m in 1979. Extraordinary profits of HK\$801.1m gave attributable profits of HK\$1,500m, against HK\$639.9m.

The group announced a three-for-one bonus issue and said it was raising the total dividend to 63 cents from 55.

Franc Eurobond
Bank of America announced in Paris a five-year Eurobond issue for 250m francs (£22.7m). The bonds, which will mature on April 10, 1986, have a coupon of 14 1/2 per cent payable annually.

Saab outlook
Saab-Scania, the Swedish motor vehicles group, expects 1981 group profits before appropriations and taxes to be little changed from 1980 levels.

The 1980 group profit before appropriations and taxes was Kr945m (£93.5m) on sales of Kr13,990m.

Northstar Resources
to launch new fund

By Catherine Gunn

Another new Canadian drilling fund, Dorset Resources, is raising \$510m to \$520m (£3.9m to £7.8m) here and in Canada to go into oil and gas exploration in North America.

The shares will be quoted in Alberta and a Toronto listing has been applied for. In London, they will be traded under Rule 163 (1e). Units of one share and one warrant are on offer at C\$1 each.

Threequarters of the money raised will be invested over the next two years in the exploration and drilling programme of Northstar Resources, a Canadian company quoted on the Toronto Stock Exchange, whose directors have put Dor-

set Resources together. The remainder will be set aside to cover the 5 per cent management charge, due to Northstar, and for other projects.

Mr John Hagg, president of Northstar and acting chairman of Dorset Resources, said yesterday that he expected up to 40 per cent of the issue to be raised in Britain. Of the money put into Northstar's exploration programme, most would be spent in the United States.

Two fifths of Dorset's drilling will go into low risk drilling, mainly in Texas, and the rest into higher risk projects. Roughly 100 wells should be drilled in the next 18 months to two years.

DB critical of Bundesbank action

Deutsche Bank, West Germany's largest commercial bank, said yesterday that a 10 per cent improvement in operating earnings in the first five weeks of 1981 was cut off when Deutsche Bundesbank sharply raised interest rates on February 19.

Herr F. Wilhelm Christians, co-chairman, said the Bundesbank's actions came just as Deutsche Bank's margin on interest was "in sight" of a

3 per cent level after averaging 2.59 per cent in 1980, up from 2.47 per cent in 1979.

Despite interest margins below what it considers ideal, Deutsche Bank reported that it boosted 1980 pretax net earn-

Union Miniere payout held

Union Miniere said its operating results fell last year because of a decline in metal sales from stocks, but its net profit available for distribution to shareholders was similar to 1979's because of higher returns on financial investments.

The company gave no profit figures, but announced an unchanged dividend of 500 Belgian francs (£6.50) for 1980.

The group said copper prices fell last year in line with weaker demand, while zinc prices were also weak. Its

Thierry mine in Ontario, and its United States operations were both hit by poor metal prices.

In Brazil, however, group operations showed satisfactory results because of a high level of production and high prices for diamonds and gold.

On its financial investments, Union Miniere said it benefited from high interest rates on treasury bills and other credits.

For 1979, Union Miniere announced a net profit of 666m francs.

Australian deal by Amax

Amax, the big American natural resources company, is increasing its involvement in the Australian mining boom by raising its stake in Australian Consolidated Minerals to 39.2 per cent.

ACM, which has a gold prospect called Big Bell in Western Australia, is to issue about 10 per cent of its shares to Amax.

The 6.5m shares are being placed at 45 cents each, a total cost of \$2.93m (£1.54m). The placement values ACM at around \$290m.

The shares will be taken up over two years to meet state laws on company ownership. The first tranche of 1.95m shares will be issued straight away.

Thomson
T-Line
talks fail

By Margaret Pagano

Talks between Falkirk-based Thomson T-Line Caravans and potential suitors have broken up after the failure to reach agreement on property valuation guarantees.

Yesterday Thomson returned to its Stock Exchange listing with shares at 43p. 24p lower than the suspension price on February 16 when dealings were halted.

In May last year Mr David Thomson, chairman, whose family interests control 60 per cent of the equity, asked merchant bankers Kleinwort Benson, to find a buyer for the family interests.

Talks with Mr Robert Morton and Mr Alex Merritt, who sold their Euro-Exhaust group to Kwik-Fit in a £10m deal last year, were the result of that search. They both held 5 per cent each of the shareholdings.

The deal is believed to have been "substantially" higher than the market value of the shares at the time of suspension. A spokesman for Kleinwort Benson, who are still looking for buyers, said that Mr Thomson had been unable to give guarantees on property valuations.

The group has not been trading at a satisfactory level recently, but it does own property not directly used in trading which had been "impossible" to value, he said. Progress is now under way to sell off certain surplus properties. It is thought Thomson has had zoning for housing a few miles from Grangemouth.

Net assets a share of 146p were estimated in December 1979 and shareholders' funds were £2.7m. There had been other interested parties last year but these dropped out when talks started with Mr Merritt and Mr Morton.

Borrowings cut
at Heywood

Heywood Williams, the building industry supplier, is cutting its borrowings by £2.5m in the next few months to bring them back to £3m.

More than £1.1m has already been saved through the sale of 60 per cent of Porter and Haylett, its boat building subsidiary, and the disposal of parts of Pichemastic, asphalt contractors. The rest of the saving will come from the reduction in activities in Staveley Homes.

Investment earnings
lift full-year profits
at Ash & Lacy

By Margaret Pagano

Ash & Lacy, the West Midlands steel products maker, has bucked the trend with higher pretax profits and a dividend increase for the year to January.

Profits rose to £2.64m from £2.58m on sales of £27.86m, against £2.67m. The final dividend is lifted to 2.2p gross, making a total for the year of 17.8p gross. This compares with 16.42p last year. The shares gained 9p to 236p on the news.



Mr John Vernon, chairman of Ash & Lacy.

Exports
slow fall at
Dreamland

By Michael Clark

A drive into the export market has gone some way towards cushioning Dreamland Electrical Appliances from the full effects of the United Kingdom recession.

Full-year figures of the electrical appliances group show pretax profits £639,000 lower at £840,000 for 1980 on turnover up from £10.6m to a record £11.24m. Earnings per share have been improved from 3.87p to 6.83p and the dividend is unchanged at 1.71p gross.

In order to correct the drop in United Kingdom sales, the group has tried to expand on its overseas operations which last year accounted for £1.8m of total sales, an increase of 47 per cent over the previous year.

The sales drive into Belgium and South Africa went better than expected and in addition to increasing its share of the Dutch market its contract with Philips has also paid dividends.

However, Mr Frederick Williams, chairman, admits that the surge in exports has accompanied a fall in volume and increased pressure on margins.

Back at home the recession has seen sharp destocking by retailers and this has left sales hard pressed to match last year's levels.

Other problems encountered included a bad fire at the group's research laboratories, and a loss on its Alarline subsidiary amounting to some £100,000.

In addition, the recession has meant a three-day week for the workforce since early January, and more than doubled borrowings of £3.4m.

Looking to the current year, Mr Williams admits that it would be foolish to say that the worst is over, but he is confident that an acceleration in restocking by retailers is on the cards. The shares improved 1p to 26p.

Bank Base
Rates

ABN Bank	12%
Barclays	13%
BCCI	12%
Consolidated Crdts	12%
C. Hoare & Co	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
TSB	12%
Williams & Glyn's	12%

* 7 day deposit on sums of £10,000 and under 9% over £20,000 10%.

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subject matter
on all
the subjects
that matter



M. J. H. Nightingale & Co. Limited
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The Over-the-Counter Market

1980 81	High	Low	Company	Price	Chg	Gross Div	Yld %	P:E
75	39	Airsprung Group	72x2	+1	6.7	9.3	6.5	
50	21	Armitage & Rhodes	49	—	1.4	2.9	20.2	
192	52	Bardon Hill	190	—	9.7	5.1	7.1	
98	88	Deborah Services	97	-1	5.5	3.7	4.8	
126	88	Frank Horsell	104	—	6.4	6.2	3.3	
110	39	Frederick Parker	51	+1	1.7	3.3	22.2	
110	69	George Blair	69	-1	3.1	5.5	—	
110	59	Jackson Group	107	—	6.9	6.4	4.0	
124	103	James Burrough	119	+1	7.9	6.6	9.8	
334	244	Robert Jenkins	320	—	31.3	9.8	—	
55	50	Scruttons "A"	51	—	5.3	10.4	3.7	
224	210	Torday Limited	210	—	15.1	7.2	3.6	
23	8	Twinklford Ord	10 1/2	—	—	—	—	
90	69	Twinklford 15% ULS	72	—	15.0	20.8	—	
56	35	Unilock Holdings	45	—	3.0	6.6	6.9	
103	81	Walter Alexander	101	+1	5.7	5.6	5.6	
263	181	W. S. Yeates	259	+1	13.1	5.1	4.9	

Notice
of Meeting

Notice is hereby given that the 140th Annual General Meeting of United Kingdom Temperance and General Provident Institution will be held at the Guildhall, Salisbury, Wiltshire, on Wednesday, 3rd June, 1981, at 12 noon, for the following purposes:

1. To consider the documents comprised within the Report and Accounts for the year ended 31st December 1980.
2. To re-elect the following directors who retire by rotation in accordance with Rule 8.01:
Mr S. A. R. Gray
Mr J. G. Curtis
Mr A. G. Millar
3. To re-appoint Messrs Deloitte Haskins & Sells as the auditors to the institution and to authorise the directors to fix their remuneration.

By Order of the Board
SV Finn
Deputy General Manager (Property) and Secretary
25th March, 1981

Dolphin House
New Street Salisbury SP1 2QQ
Salisbury (0722) 6242

Allen Harvey & Ross Limited

Bankers and Bill Brokers

Mr A. J. Buchanan, Chairman,
reports on the year ended 5th February 1981

- ★ Against a difficult background, your Board is satisfied with the profit figure of £709,150.
- ★ We have decided to increase our final dividend to 13%, making 23% for the year, as against 21.5% for last year.
- ★ We are very pleased with the progress made by our investment management team.
- ★ Our partnership with Ehrlich-Bober & Co. Inc. of New York has been profitable and successful.

	Year to 5th February 1981	Year to 5th February 1980
Consolidated net assets	£6,014,952	£5,923,329
Balance Sheet Totals	247,822,999	246,123,152
Profit	709,150	653,216
Cost of all dividends	621,289	581,316

45 GURTHA, LONDON EC3R 8EB
TELEPHONE 01-4234731

Bristol & West
The Great Build-Up continues.

1978	1979	1980	1978	1979	1980
153m	£745m	£862m	114	127	143
£319m	£396m	£447m			

The Assets Build-Up

It was a year of intense competition. It was also a most successful year for Bristol & West Building Society. Assets and receipts reached record levels to meet the growing demand for its services. Society continued to expand its branch network. Commenting on the results for the year ended 31st December, Mr Andrew Breach, C.B.E., the Chairman, said: "Sets increased by £117 million to £862 million — growth of 15.74%. Cash and investments at the year held almost entirely in readily realisable securities, valued £198 million, equal to 22.97% of total assets. Advances exceeded £145 million, over 98% secured on rate homes for owner occupation. Receipts from shareholders and depositors, including invested interest, amounted to £447 million. After withdrawals, investors' balances increased by £105 million."

The Receipts Build-Up

Branches 1980 was a year of active branch development with 16 new openings, bringing the total number to 143. Service The Society's strong commitment to members enabled them largely to escape the frustrations of the mortgage queue evident with many other financial intermediaries. By the end of 1981 it is planned to equip all existing branches with counter terminals linked to the main head office computer further improving our service to both investors and borrowers.

The Branches Build-Up

Bristol & West
BUILDING SOCIETY

Security you can build on
A MEMBER OF THE BUILDING SOCIETIES ASSOCIATION

For a copy of the Annual Report and full Chairman's Statement, please apply to: The Secretary, Bristol & West Building Society, The Bristol & West Building, Broad Quay, Bristol BS59 7AX. Telephone: 0172 294271.

Wall Street

Wall Street

territory. Another
last retreat, lived before the
Declines were small of advance
at the bell by a small margin.
Volume again was moderate
less than 45,000,000 shares com-
pared with 43,190,000 yesterday.

The Wall Street and Canadian
stock price given in the table
relates to Monday's close. Late
publication is caused by the
change to British Summer
Time. This will continue until
Eastern Daylight Time begins
in the United States on April
26.

Winding up of the Warsaw
Pact manoeuvres around Poland
helped sentiment although the

White House said "seriously concerned."

Bond prices were higher today in light trading. The federal fund rate eased back to 14 1/2 per cent. The dollar fell 1/2 cent. The uncertain course of interest rates continues to keep some traders on the sidelines despite the Federal Reserve's indication of a tougher credit policy.

Stocks were narrowly higher in moderate trading late in the day. Active Standard Oil led gains with a 3 1/2 gas gain in south-western Wyoming. Among partners in the find, Union Pacific added 1/2 to 7/8.

US commodities

New York, April 7, 60 (AP) — The Comex closed at \$512.60 an ounce. Gold was at \$100.00. Silver at \$216.50. Wheat at \$2.16 1/2. Corn at \$1.16 1/2. Soybeans at \$11.16 1/2. Cotton at \$16.16 1/2. Sugar at \$16.16 1/2. Coffee at \$16.16 1/2. Cocoa at \$16.16 1/2. Rubber at \$16.16 1/2. Tin at \$16.16 1/2. Nickel at \$16.16 1/2. Zinc at \$16.16 1/2. Lead at \$16.16 1/2. Aluminum at \$16.16 1/2. Iron at \$16.16 1/2. Steel at \$16.16 1/2. Copper at \$16.16 1/2. Brass at \$16.16 1/2. Bronze at \$16.16 1/2. Silver at \$16.16 1/2. Gold at \$16.16 1/2. Platinum at \$16.16 1/2. Palladium at \$16.16 1/2. Rhodium at \$16.16 1/2. Iridium at \$16.16 1/2. Osmium at \$16.16 1/2. Rhenium at \$16.16 1/2. Ruthenium at \$16.16 1/2. Technetium at \$16.16 1/2. Yttrium at \$16.16 1/2. Zirconium at \$16.16 1/2. Niobium at \$16.16 1/2. Molybdenum at \$16.16 1/2. Technetium at \$16.16 1/2. Ruthenium at \$16.16 1/2. Rhodium at \$16.16 1/2. Palladium at \$16.16 1/2. Silver at \$16.16 1/2. 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1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429
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[illegible]

12.2	12.1	Investment Fund	222.6	
12.3	12.2	Pension Fund	10.0	
12.4	12.3	Cash Pen Fund	10.0	
12.5	12.4	Debt Pen Cap	15.6	
12.6	12.5	Man Pen Fund	27.9	
12.7	12.6	Debt Pen Cap	190.4	
12.8	12.7	Pop Pen Cap	39.3	
12.9	12.8	Debt Pen Cap	14.2	
13.0	12.9	Grd Pen Fund	15.8	
13.1	13.0	Debt Pen Cap	12.6	
13.2	13.1	Do Pen, Cap	117.2	
13.3	13.2	Grd Pen Fund	12.6	
13.4	13.3	Debt Pen Cap	117.2	
13.5	13.4	Grd Pen Fund	12.6	
13.6	13.5	Debt Pen Cap	117.2	
13.7	13.6	Grd Pen Fund	12.6	
13.8	13.7	Debt Pen Cap	117.2	
13.9	13.8	Grd Pen Fund	12.6	
14.0	13.9	Debt Pen Cap	117.2	
14.1	14.0	Grd Pen Fund	12.6	
14.2	14.1	Debt Pen Cap	117.2	
14.3	14.2	Grd Pen Fund	12.6	
14.4	14.3	Debt Pen Cap	117.2	
14.5	14.4	Grd Pen Fund	12.6	
14.6	14.5	Debt Pen Cap	117.2	
14.7	14.6	Grd Pen Fund	12.6	
14.8	14.7	Debt Pen Cap	117.2	
14.9	14.8	Grd Pen Fund	12.6	
15.0	14.9	Debt Pen Cap	117.2	
15.1	15.0	Grd Pen Fund	12.6	
15.2	15.1	Debt Pen Cap	117.2	
15.3	15.2	Grd Pen Fund	12.6	
15.4	15.3	Debt Pen Cap	117.2	
15.5	15.4	Grd Pen Fund	12.6	
15.6	15.5	Debt Pen Cap	117.2	
15.7	15.6	Grd Pen Fund	12.6	
15.8	15.7	Debt Pen Cap	117.2	
15.9	15.8	Grd Pen Fund	12.6	
16.0	15.9	Debt Pen Cap	117.2	
16.1	16.0	Grd Pen Fund	12.6	
16.2	16.1	Debt Pen Cap	117.2	
16.3	16.2	Grd Pen Fund	12.6	
16.4	16.3	Debt Pen Cap	117.2	
16.5	16.4	Grd Pen Fund	12.6	
16.6	16.5	Debt Pen Cap	117.2	
16.7	16.6	Grd Pen Fund	12.6	
16.8	16.7	Debt Pen Cap	117.2	
16.9	16.8	Grd Pen Fund	12.6	
17.0	16.9	Debt Pen Cap	117.2	
17.1	17.0	Grd Pen Fund	12.6	
17.2	17.1	Debt Pen Cap	117.2	
17.3	17.2	Grd Pen Fund	12.6	
17.4	17.3	Debt Pen Cap	117.2	
17.5	17.4	Grd Pen Fund	12.6	
17.6	17.5	Debt Pen Cap	117.2	
17.7	17.6	Grd Pen Fund	12.6	
17.8	17.7	Debt Pen Cap	117.2	
17.9	17.8	Grd Pen Fund	12.6	
18.0	17.9	Debt Pen Cap	117.2	
18.1	18.0	Grd Pen Fund	12.6	
18.2	18.1	Debt Pen Cap	117.2	
18.3	18.2	Grd Pen Fund	12.6	
18.4	18.3	Debt Pen Cap	117.2	
18.5	18.4	Grd Pen Fund	12.6	
18.6	18.5	Debt Pen Cap	117.2	
18.7	18.6	Grd Pen Fund	12.6	
18.8	18.7	Debt Pen Cap	117.2	
18.9	18.8	Grd Pen Fund	12.6	
19.0	18.9	Debt Pen Cap	117.2	
19.1	19.0	Grd Pen Fund	12.6	
19.2	19.1	Debt Pen Cap	117.2	
19.3	19.2	Grd Pen Fund	12.6	
19.4	19.3	Debt Pen Cap	117.2	
19.5	19.4	Grd Pen Fund	12.6	
19.6	19.5	Debt Pen Cap	117.2	
19.7	19.6	Grd Pen Fund	12.6	
19.8	19.7	Debt Pen Cap	117.2	
19.9	19.8	Grd Pen Fund	12.6	

Corp	4%	4%	Pan Am El & Gas	14
Int'l	14%	14%	Rathen	100
Corp	14%	14%	El Corp	100
Int'l	14%	14%	Repulic Steel	100
Corp	14%	14%	Remold Ind	100
Int'l	14%	14%	Rexolds Metal	100
Corp	14%	14%	RiceWell Int	100
Int'l	14%	14%	Royal Dutch	100
Corp	14%	14%	Saleway Inc	100
Int'l	14%	14%	S&P Paper	100
Corp	14%	14%	Santa Fe Ind	100
Int'l	14%	14%	SCM	100
Corp	14%	14%	Schlumberger	100
Int'l	14%	14%	Sec Paper	100
Corp	14%	14%	Seagram	100
Int'l	14%	14%	Sears Roebuck	100
Corp	14%	14%	Shell Oil	100
Int'l	14%	14%	Shell Trans	100
Corp	14%	14%	Signal Co	100
Int'l	14%	14%	Sinclair	100

[illegible]

Wells Fargo	76 1/8
Western Union	76 1/8
Worthington Elec	76 1/8
Whitcomb	76 1/8
White Motor	76 1/8
Woolworth	76 1/8
Zenith Corp	76 1/8
Yerkes	76 1/8

Alcoa	29 1/2
Aluminum	29 1/2
Bell Telephone	29 1/2
Campbell	29 1/2
Comstock	29 1/2
Hawkins	29 1/2
Gulf Oil	29 1/2
Hudson Bay Min	29 1/2
Hudson Bay Oil	29 1/2
Ingersoll	29 1/2
Int Pipe	29 1/2
Mack-Turner	29 1/2
Sengstacke	29 1/2
Shawmut	29 1/2
Thomson N A	29 1/2
WCT	29 1/2

New Issues \$3 1/2

[illegible]

1950 as high	Low offer	Trust	End Offer
Venueville Life Assurance Ltd.			
42	147	Managers Fund	196 1/2
43	157	44 Managers Fund	206 1/2
44	167	45 Managers Fund	216 1/2
45	173	46 Paid into Trust	222 1/2
46	187	47 Managers Fund	232 1/2
47	197	48 Do Cash	242 1/2
48	207	49 Do Cash	252 1/2
49	217	50 Do Cash	262 1/2
50	227	51 Do Cash	272 1/2
51	237	52 Do Cash	282 1/2
52	247	53 Do Cash	292 1/2
53	257	54 Do Cash	302 1/2
54	267	55 Do Cash	312 1/2
55	277	56 Do Cash	322 1/2
56	287	57 Do Cash	332 1/2
57	297	58 Do Cash	342 1/2
58	307	59 Do Cash	352 1/2
59	317	60 Do Cash	362 1/2
60	327	61 Do Cash	372 1/2
61	337	62 Do Cash	382 1/2
62	347	63 Do Cash	392 1/2
63	357	64 Do Cash	402 1/2
64	367	65 Do Cash	412 1/2
65	377	66 Do Cash	422 1/2
66	387	67 Do Cash	432 1/2
67	397	68 Do Cash	442 1/2
68	407	69 Do Cash	452 1/2
69	417	70 Do Cash	462 1/2
70	427	71 Do Cash	472 1/2
71	437	72 Do Cash	482 1/2
72	447	73 Do Cash	492 1/2
73	457	74 Do Cash	502 1/2
74	467	75 Do Cash	512 1/2
75	477	76 Do Cash	522 1/2
76	487	77 Do Cash	532 1/2
77	497	78 Do Cash	542 1/2
78	507	79 Do Cash	552 1/2
79	517	80 Do Cash	562 1/2
80	527	81 Do Cash	572 1/2
81	537	82 Do Cash	582 1/2
82	547	83 Do Cash	592 1/2
83	557	84 Do Cash	602 1/2
84	567	85 Do Cash	612 1/2
85	577	86 Do Cash	622 1/2
86	587	87 Do Cash	632 1/2
87	597	88 Do Cash	642 1/2
88	607	89 Do Cash	652 1/2
89	617	90 Do Cash	662 1/2
90	627	91 Do Cash	672 1/2
91	637	92 Do Cash	682 1/2
92	647	93 Do Cash	692 1/2
93	657	94 Do Cash	702 1/2
94	667	95 Do Cash	712 1/2
95	677	96 Do Cash	722 1/2
96	687	97 Do Cash	732 1/2
97	697	98 Do Cash	742 1/2
98	707	99 Do Cash	752 1/2
99	717	100 Do Cash	762 1/2
100	727	101 Do Cash	772 1/2
101	737	102 Do Cash	782 1/2
102	747	103 Do Cash	792 1/2
103	757	104 Do Cash	802 1/2
104	767	105 Do Cash	812 1/2
105	777	106 Do Cash	822 1/2
106	787	107 Do Cash	832 1/2
107	797	108 Do Cash	842 1/2
108	807	109 Do Cash	852 1/2
109	817	110 Do Cash	862 1/2
110	827	111 Do Cash	872 1/2
111	837	112 Do Cash	882 1/2
112	847	113 Do Cash	892 1/2
113	857	114 Do Cash	902 1/2
114	867	115 Do Cash	912 1/2
115	877	116 Do Cash	922 1/2
116	887	117 Do Cash	932 1/2
117	897	118 Do Cash	942 1/2
118	907	119 Do Cash	952 1/2
119	917	120 Do Cash	962 1/2
120	927	121 Do Cash	972 1/2
121	937	122 Do Cash	982 1/2
122	947	123 Do Cash	992 1/2
123	957	124 Do Cash	1002 1/2
124	967	125 Do Cash	1012 1/2
125	977	126 Do Cash	1022 1/2

[illegible][illegible]

Kaplan International Fund Managers		
12	Pratt & Whitney	7.9
13	Rockwell International Corp.	7.9
Rothschild-Schild Management Co. Inc.		
14	U.S. America	2.71
15	U.S. Government	2.71
16	U.S. Japan	2.71
17	U.S. Europe	2.71
18	U.S. Canada	2.71
19	U.S. Asia	2.71
20	U.S. Latin America	2.71
21	U.S. Middle East	2.71
22	U.S. Africa	2.71
23	U.S. Oceania	2.71
24	U.S. Europe	2.71
25	U.S. Asia	2.71
26	U.S. Latin America	2.71
27	U.S. Middle East	2.71
28	U.S. Africa	2.71
29	U.S. Oceania	2.71
30	U.S. Europe	2.71
31	U.S. Asia	2.71
32	U.S. Latin America	2.71
33	U.S. Middle East	2.71
34	U.S. Africa	2.71
35	U.S. Oceania	2.71
36	U.S. Europe	2.71
37	U.S. Asia	2.71
38	U.S. Latin America	2.71
39	U.S. Middle East	2.71
40	U.S. Africa	2.71
41	U.S. Oceania	2.71
42	U.S. Europe	2.71
43	U.S. Asia	2.71
44	U.S. Latin America	2.71
45	U.S. Middle East	2.71
46	U.S. Africa	2.71
47	U.S. Oceania	2.71
48	U.S. Europe	2.71
49	U.S. Asia	2.71
50	U.S. Latin America	2.71
51	U.S. Middle East	2.71
52	U.S. Africa	2.71
53	U.S. Oceania	2.71
54	U.S. Europe	2.71
55	U.S. Asia	2.71
56	U.S. Latin America	2.71
57	U.S. Middle East	2.71
58	U.S. Africa	2.71
59	U.S. Oceania	2.71
60	U.S. Europe	2.71
61	U.S. Asia	2.71
62	U.S. Latin America	2.71
63	U.S. Middle East	2.71
64	U.S. Africa	2.71
65	U.S. Oceania	2.71
66	U.S. Europe	2.71
67	U.S. Asia	2.71
68	U.S. Latin America	2.71
69	U.S. Middle East	2.71
70	U.S. Africa	2.71
71	U.S. Oceania	2.71
72	U.S. Europe	2.71
73	U.S. Asia	2.71
74	U.S. Latin America	2.71
75	U.S. Middle East	2.71
76	U.S. Africa	2.71
77	U.S. Oceania	2.71
78	U.S. Europe	2.71
79	U.S. Asia	2.71
80	U.S. Latin America	2.71
81	U.S. Middle East	2.71
82	U.S. Africa	2.71
83	U.S. Oceania	2.71
84	U.S. Europe	2.71
85	U.S. Asia	2.71
86	U.S. Latin America	2.71
87	U.S. Middle East	2.71
88	U.S. Africa	2.71
89	U.S. Oceania	2.71
90	U.S. Europe	2.71
91	U.S. Asia	2.71
92	U.S. Latin America	2.71
93	U.S. Middle East	2.71
94	U.S. Africa	2.71
95	U.S. Oceania	2.71
96	U.S. Europe	2.71
97	U.S. Asia	2.71
98	U.S. Latin America	2.71
99	U.S. Middle East	2.71
100	U.S. Africa	2.71

129	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637
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Authorized Units, Insurance & Offshore Funds

[illegible]

-Managerial-Administrative-Secretarial-Personal Assistants-

**La creme de la creme also
on page 26**

